

CHEVY CHASE CENTER

Chevy Chase, Maryland

LEASE AGREEMENT

BY AND BETWEEN

**THE CHEVY CHASE LAND COMPANY
OF MONTGOMERY COUNTY, MARYLAND,
LANDLORD**

AND

**MONTGOMERY COUNTY, MARYLAND
(through the Department of Public Works and Transportation),
COUNTY**

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CHEVY CHASE CENTER
RETAIL LEASE

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Exhibit A:	The Premises
Exhibit A-1:	Base Building Conditions
Exhibit A-2:	Pre-occupancy Tenant Work Plan
Exhibit B:	Rules of the Site for the Tenant Work
Exhibit C:	Sign Exhibit
Exhibit D:	Rules
Exhibit E:	Confirmation of Lease Term Memorandum
Exhibit F:	Tenant Estoppel Certificate
Exhibit G:	Subordination, Non-Disturbance, and Attornment Agreement
Exhibit H:	Memorandum of Lease
Exhibit I:	Release of Memorandum of Lease



CHEVY CHASE CENTER RETAIL LEASE

THIS LEASE made as of the 14th day of March, 2008, between **THE CHEVY CHASE LAND COMPANY OF MONTGOMERY COUNTY MARYLAND**, a Maryland corporation, as landlord ("Landlord") and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland, through the Department of Public Works and Transportation, as tenant ("County"). Landlord and County are together known as the "Parties".

ARTICLE 1

BASIC PROVISIONS

A. **County Trade Name.** Friendship Heights Transportation Information Resource Center, or other similar designation by the County.

B. **Center.** Chevy Chase Center, located east of Wisconsin Avenue, west of Western Avenue and north of Wisconsin Circle in Chevy Chase, Montgomery County, Maryland, which Center shall consist of approximately Four Hundred Thousand (400,000) rentable square feet of office and retail space.

C. **Premises.** 17 Wisconsin Circle, located in retail space #1133, consisting of approximately 1,504 rentable square feet, located on the South side in the mixed office and retail component of the Center containing approximately Two Hundred Ninety Thousand (290,000) rentable square feet in the aggregate (the "Building"). The approximate location of the Premises in the Building is shown crosshatched on Exhibit A hereto.

D. **Commencement Date.** The date this Lease is fully executed and delivered by both Parties.

E. **Opening Date.** The date the County opens the Premises for business, which shall be on or before May 15, 2008.

F. **Expiration Date.** The last day of the calendar month during which the tenth (10th) anniversary of the Commencement Date occurs, subject to Renewal Terms exercised by the County pursuant to Article 38, provided that the Expiration Date shall not extend beyond such time that the current site plan for the Center is no longer in effect. The Commencement Date, the Opening Date and the Expiration Date shall be confirmed by Landlord and the County by the execution of a Confirmation of Lease Term Memorandum ("COLT") in the form attached hereto as Exhibit E, which the County shall return to Landlord within thirty (30) business days of its delivery to the County.

G. **Permitted Use.** For the operation of the Friendship Heights Transportation Information Resource Center consistent and compatible with the standards prevailing for first-class mixed-use projects in the Bethesda-Chevy Chase market area, and for no other use or purpose whatsoever.

H. **Annual Rent.** One Dollar (\$1.00) per year, payable in advance.

I. **County's Address.** Montgomery County, Maryland, Department of Public Works and Transportation, Executive Office Building, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850, Attn: Director, with a copy not to constitute notice to: Office of the County Attorney, 101 Monroe Street, 3rd Floor, Rockville, Maryland 20850, Attn: County Attorney, provided that failure to deliver the copy shall not affect the validity of the notice.

ARTICLE 2

PREMISES; TERM; PARKING

A. **Premises; Term.** Landlord hereby leases to the County and the County hereby leases from Landlord the Premises for a term ("Term") commencing on the Commencement Date and ending on the Expiration Date set forth in Article 1, unless sooner terminated as

provided herein, subject to the provisions herein contained.

B. **Parking.** From and after the Opening Date, the County shall have the option to lease up to two (2) spaces in that area of the Center's parking garage designated by Landlord for employee parking, such parking to be for use only by the County and its employees, it being understood, however, that such parking spaces shall not be leased to the County on a reserved or designated space basis. The County and its employees shall be permitted to park only in the areas of the parking garage specifically designated for use by employees working in the Center. If the County shall elect to exercise said option, it shall do so by giving written notice thereof to Landlord not later than sixty (60) days following the Opening Date. Any such lease of parking spaces shall be with the manager of said parking garage, and shall be on a monthly basis, upon the same terms as leased to other monthly users, and at the same prevailing rate charged by the garage operator from time to time to other monthly users. Parking for the County's customers shall be on a first-come, first-served basis in the parking garage or surface parking lot, at the prevailing rate charged by the garage operator from time to time to other daily users. Landlord reserves the right to implement a parking validation system which may require the acquisition of parking meters or validation stamps by tenants of the Center. The County agrees to participate in such parking validation system if so directed by Landlord provided that such parking validation system results in no out-of-pocket cost to the County.

C. **Pre-Opening Signage.** On or before the Commencement Date, Tenant shall install storefront signage at the Premises in accordance with the provisions of Rule 6 of Exhibit D.

ARTICLE 3

ANNUAL RENT

The County shall pay Landlord the Annual Rent set forth in Article 1 in advance on or before the first day of each calendar year during the Term.

ARTICLE 4

[Intentionally Omitted].

ARTICLE 5

[Intentionally Omitted].

ARTICLE 6

CONDITION OF PREMISES; OPENING FOR BUSINESS; COUNTY WORK

A. **Condition of Premises.** The County agrees to accept the Premises, Center, and any Systems and Equipment (hereinafter defined) serving the Premises "as is", except that Landlord at its expense shall construct: (i) Base Building Improvements described on Exhibit A-1 attached hereto ("Base Building Work"), and (ii) the tenant work indicated on the Pre-occupancy Tenant Work Plan attached hereto as Exhibit A-2, using Building standard materials (the "Pre-occupancy Tenant Work"). The Base Building Work and the Pre-occupancy Tenant Work shall be referred to collectively as "Landlord's Work". In addition, Landlord's Work shall include a technical device to call taxis from the exterior of the Premises. The County shall on or before the Opening Date: (i) construct any items of tenant work in excess of Landlord's Work, and install a new storefront sign and trade fixtures as necessary to complete the Premises, in accordance with the other provisions of this Lease, including, without limitation, Article 7, Exhibits B, C and D ("the County's Work"), and (ii) open the Premises for business to the public in compliance with all provisions of this Lease. In addition, notwithstanding anything to the contrary contained in this Article 6.A, upon receipt of written notice from the County delivered within the six (6) months following the date Landlord delivers to the County notice of completion of Landlord's Work, Landlord shall repair any latent defects discovered by the County in Landlord's Work.

B. **County's Work.** In connection with the County's Work under this Article 6 and Exhibit B, the Parties shall observe the procedures set forth in Article 7 and Exhibit B. For any

requirements under Article 7 or Exhibit B as to which no time frame for compliance is set, the County shall comply promptly and diligently, and in no event later than ten (10) days after written notice from Landlord. The County agrees it shall not open the Premises for business until construction of the County's Work is completed consistent with the Working Drawings, the Premises is fully fixtured and Tenant has obtained a certificate of occupancy for the Premises

C. **Plan Review Fee.** The County shall pay to Landlord a plan review fee and coordination fee (the "Plan Review Fee") in an amount equal to the lesser of (i) Five Thousand Dollars (\$5,000.00), or (ii) Landlord's actual and reasonable third-party, out-of-pocket costs for mechanical, electrical and plumbing ("MEP") and structural plan review related to the County's Work, within ten (10) days following Landlord's approval of the County's Working Drawings and in any event prior to the commencement of the County Work. The County must elect to undertake its own construction management or retain a third-party construction manager with respect to the County Work.

D. **County Cooperation.** The County shall cooperate with Landlord with respect to communicating to governmental agencies and community groups that Landlord has entered into this Lease with the County for the transit store premises and has constructed the Premises as required by this Lease.

ARTICLE 7

TRADE FIXTURES, ALTERATIONS AND LIENS

A. **Approval.** The County shall have the right, at its sole expense, from time to time, in accordance with all applicable Laws, to redecorate the Premises and to make such other interior, non-structural additions, improvements, alterations and/or installations as the County shall deem expedient or necessary for its purposes so long as the same do not affect the structure of the Building, the safety and security of the Center or Premises, the Systems and Equipment or the appearance of the Premises from any Common Areas; provided, however, if the cost of any such alterations exceeds the sum of Twenty Five Thousand and 00/100 Dollars (\$25,000.00) in any twelve (12)-month period, Landlord's consent thereto shall be required as provided for below. Except as expressly set forth above in this Article 7, the County shall not attach any fixtures, equipment or other items to the Premises or make any additions, changes, alterations or improvements to the Premises or the Systems and Equipment serving the Premises, including without limitation the County Work described in Article 6 (all such work referred to collectively herein as the "Work"), without the prior written consent of Landlord. Landlord shall not unreasonably withhold, condition or delay consent, except that Landlord reserves the right to withhold consent in Landlord's sole discretion for Work affecting the structure, safety or security of the Center or Premises, the Systems and Equipment, or the appearance of the Premises from any Common Areas (hereinafter defined).

B. **Conditions.** Landlord reserves the right to impose requirements as a condition of such consent or otherwise in connection with the Work, including requirements that the County: (i) submit for Landlord's prior written approval detailed plans and specifications prepared by licensed and competent architects and engineers, (ii) shall only use contractors, subcontractors and suppliers that have been selected through and qualified under the County's procurement process, (iii) obtain and post permits, bonds, and additional insurance, (iv) submit contractor, subcontractor and supplier lien waivers, (v) comply with such other reasonable requirements as Landlord may impose concerning the manner and times in which such Work shall be done. Landlord's review and/or approval of the County's plans and the Work shall not be deemed a warranty as to the adequacy of the design, workmanship or quality of materials, or compliance of the Work with any Laws (hereinafter defined). While the County is performing any Work in the Premises during the term of this Lease, Landlord has the right to have a Landlord representative present, at Landlord's expense. With respect to Work that Tenant is required to perform under this Lease but which impacts the structure of the Building or base Building systems, Landlord at its election may perform such Work with contractors selected by Landlord, and the County shall reimburse Landlord for the reasonable cost thereof as additional rent under this Lease due and payable within thirty (30) days after Landlord delivers to the County a statement of the cost thereof.

C. **Performance of Work.** All Work shall be performed: (i) in a good and workmanlike manner, (ii) only with materials that are good quality, and free of material defects,

(iii) substantially in accordance with plans and specifications approved by Landlord in advance in writing, (iv) not to adversely affect the Systems and Equipment or the structure of the Center, (v) diligently to completion and so as to cause the least possible interference with other tenants and the operation of the Center, and (vi) in compliance with all Laws (as hereinafter defined) and other provisions of this Lease, including without limitation, Exhibit B and the Rules attached hereto as Exhibit D. If the County fails to perform the Work as required herein or the materials supplied fail to comply herewith or with the specifications approved by Landlord, and the County fails to cure such failure within twenty (20) business days (or sooner if reasonably possible) after notice by Landlord (except that notice shall not be required in emergencies), then Landlord shall have the right to cure such failure at the County's cost.

D. **Liens.** The County shall not suffer, permit or give cause for the filing of a lien against the Premises. If any mechanic's or materialman's lien or notice of lien shall at any time be filed against the Premises by reason of work, labor, services or materials performed or furnished to County, the County shall immediately cause the same to be bonded or discharged of record. If County shall fail to cause such lien or notice of lien to be discharged or bonded within thirty (30) days after the filing thereof (or such shorter period of time not less than ten (10) days if such discharge is necessary for Landlord's refinancing or sale of the Center), then, in addition to any other rights and remedies available to Landlord at law, in equity or under this Lease, Landlord may, but shall not be obligated to, discharge or bond off the same by paying the amount claimed to be due or posting a bond, and the amounts so paid by Landlord and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in paying, bonding off or procuring the discharge of such lien, shall be due and payable by County to Landlord as Additional Rent within five (5) days of Landlord's demand therefor. Nothing contained in this Lease shall authorize the County to do any act which shall subject Landlord's title to the Center or Premises to any such notices, liens or encumbrances whether claimed by operation of statute or other Law or express or implied contract. Any claim to a lien or encumbrance upon the Center or Premises arising in connection with any Work shall be null and void and shall in all respects be subordinate to Landlord's title to the Center and Premises.

E. **Landlord's Fees and Costs.** Subsequent to commencement of the Tenant Work and the County's payment of the Plan Review Fee, the County shall pay Landlord a reasonable fee to cover Landlord's reasonable, third-party out of pocket costs, including the cost of any outside engineer, architect or consultant (at the same rate schedule charged to Landlord for other work), in reviewing the County's subsequent plans and specifications with respect to items affecting structure, Systems and Equipment or the appearance of the Premises from any Common Area, and performing any supervision of the Work, and Landlord's actual costs for utilities, trash removal, temporary barricades and other matters in connection with the Work, or such fees therefor (if any) set forth in Exhibit B hereto. Upon Tenant's request, Landlord shall provide Tenant with an up-front estimate of such costs.

ARTICLE 8

USE AND OPERATING REQUIREMENTS

A. **Use; Compliance With Laws.** The County shall use the Premises for the purposes specified in Article 1 and for no other purpose whatsoever, subject to and in compliance with all other provisions of this Lease, including without limitation the Rules attached as Exhibit D hereto. The County shall comply with all Laws relating to the Premises and the County's use thereof, including without limitation, health, safety and building codes, and any permit or license requirements. Landlord makes no representation that the Premises are suitable for the County's purposes.

B. **Required Hours.** The County agrees (i) to be open to the public and operate and conduct its business in the Premises during the Required Hours. "Required Hours" shall mean from 11:00 a.m. to 7:00 p.m., Monday through Friday. Tenant shall keep the interior of the Premises lit from 9:00 a.m. to 7:00 p.m. Monday through Friday. Notwithstanding the foregoing provisions of this Article 8 to the contrary, the County may close its business in the Premises for up to three (3) days in each calendar year for the purpose of performing minor repairs in the Premises or taking inventory. In addition, the County may reduce its operating hours on governmental holidays recognized by the government of Montgomery County, Maryland. Without limiting the generality of the foregoing, Landlord reserves the right to close the Center

on holidays or certain hours of holidays, including without limitation, New Year's Day, Easter, Thanksgiving and Christmas.

C. **Required Operations.** The County shall conduct its business at all times in a professional and businesslike manner consistent with reputable business standards and practices, consistent and compatible with the standards prevailing for first-class mixed-use projects in the Bethesda-Chevy Chase market area. The County shall operate the Premises during the Required Hours in a good faith manner. The County shall keep the Premises adequately staffed and all items located in the Premises shall be in good condition and displayed in a professional and tasteful manner. The County agrees that the storage area in the Premises shall be limited to the area as indicated on Exhibit A-2.

D. **Trade Name.** The County shall conduct the County's business only under the trade name set forth in Article 1, or other similar designation by the County.

ARTICLE 9

[Intentionally Omitted]

ARTICLE 10

UTILITIES

A. **Utilities Provided By The County.** Effective from and after the Opening Date, the County shall: (i) make application in the County's own name for all utilities not provided by Landlord, (ii) comply with all utility company regulations for such utilities, including requirements for the installation of meters, and (iii) obtain such utilities directly from, and pay for the same when due directly to, the applicable utility company. The term "utilities" for purposes hereof shall include but not be limited to electricity, water, sewer, fire protection, telephone and other communication and alarm services, HVAC (hereinafter defined), and all taxes or other charges thereon. The County shall install and connect all equipment and lines required to supply such utilities to the extent not already available at or serving the Premises. The County shall maintain, repair and replace all utility items, operate the same, and keep the same in good working order and condition, as further provided in Article 11. The County shall not knowingly or negligently install any equipment or fixtures, or use the same, so as to exceed the safe and lawful capacity of any utility equipment or lines serving the same. The installation, alteration, replacement or connection of any utility equipment and lines shall be subject to the requirements for alterations of the Premises set forth in Article 7. The County shall at all times keep the Premises sufficiently heated or air-conditioned such that heated or chilled air is not drawn to or from the Premises.

B. **Utilities Provided By Landlord.**

(i) Landlord shall supply glycol from the shared retail cooling tower, and shall bill the County according to usage as measured by the separate BTU meter installed by the County in the Premises. Landlord shall bill the County for such usage from time to time, and Tenant shall pay to Landlord the amount thereof within thirty (30) days after delivery of each such statement.

(ii) Landlord reserves the right from time to time to provide any or all utilities to the Premises upon no less than sixty (60) days' prior written notice thereof to the County, it being understood that the costs payable by the County associated with the same shall be subject to the County's budgetary and appropriations process. In such case, the County shall pay such charges as Landlord may establish from time to time, which Landlord may determine on a per square foot basis applicable to the square footage of the Premises as a monthly charge, or which Landlord may determine based on the quantity of utilities used or consumed at the Premises on a monthly or other regular basis. Such charges shall not exceed the rates, if any, that Landlord is permitted to charge pursuant to applicable Law. In addition, if Landlord establishes charges based on consumption or use: (i) such charges shall not be in excess of the rate that the County would be charged directly by the utility company serving the general area in which the Center is located, (ii) if the Premises are separately metered for such utilities, the County shall pay for amounts of such utilities based on such meters, and (iii) if the Premises are not separately metered for such utilities, the County shall pay for amounts of such utilities based on the

reasonable estimates of Landlord's engineer or consultant, or at Landlord's election, shall pay Landlord's cost for installing separate meters, and shall thereafter pay based on such meters. If no such charges are established by Landlord, then the cost of such utilities shall be included as part of Building Expenses. All such charges shall be payable thirty (30) days after billed by Landlord. Landlord may discontinue providing any utilities then being provided by Landlord upon thirty (30) days' notice, in which case the County shall obtain such utilities directly from the applicable utility company. If Landlord supplies ventilated air or chilled or heated air or water for air-conditioning or heating of the Premises, Landlord may nevertheless require that the County at the County's expense maintain, repair and replace any portion of the Systems and Equipment therefor exclusively serving the Premises, including without limitation any air handling equipment, ductwork and lines.

C. **Interruptions.** The Parties do not warrant that any utilities provided by either Party will be free from shortages, failures, variations, or interruptions caused by repairs, maintenance, replacements, improvements, alterations, strikes, lockouts, labor controversies, accidents, inability to obtain services, fuel, steam, water or supplies, governmental requirements or requests, or other causes beyond the Parties' reasonable control. None of the same shall be deemed an eviction or disturbance of the County's use and possession of the Premises or any part thereof, or render Landlord liable to the County for abatement of Rent, or relieve the County from performance of the County's obligations under this Lease. Neither Party shall be liable for damages by reason of such shortage, failure, variation, or interruption, including without limitation, loss of profits, business interruption or other incidental or consequential damages.

ARTICLE 11

MAINTENANCE AND REPAIR OF PREMISES

A. **The County Maintenance and Repairs.** Except for Landlord's repair obligations as otherwise set forth in this Lease, and other than repairs necessitated by the negligence of Landlord, its agents, employees or contractors, the County shall keep the Premises in good working order, repair and condition (which condition shall also be clean, sanitary, sightly and free of pests and rodents, and which repairs shall include necessary replacements and capital expenditures and compliance with all Laws now or hereafter adopted), except to the extent provided to the contrary in Article 14 respecting casualty damage. The County's obligations hereunder shall extend to all areas not expressly delegated to Landlord in Article 11.C. below, which obligations of the County shall include but not be limited to the County's trade fixtures and equipment, security gates, ceilings, walls, storefront, entrances, signs, interior decorations, floor-coverings, wall-coverings, entry and interior doors, exterior and interior glass, plumbing fixtures, light fixtures and bulbs, keys and locks, the technical device to call taxis from the exterior of the Premises, fire extinguishers and fire protection systems, and equipment and lines for water, sewer (including free flow up to the common sewer line), HVAC, electrical, gas, steam, sprinkler and mechanical facilities, and other systems and equipment which serve the Premises exclusively whether located within or outside the Premises, and all alterations and improvements to the Premises whether installed by Landlord or the County. The County shall also at Landlord's option perform or reimburse Landlord for any repairs, maintenance and replacements to areas of the Center outside the Premises caused as a result of moving any furniture, fixtures, or other property to or from the Premises, or otherwise caused by the County or any other occupant of the Premises, or any of their employees, agents or contractors. Any repairs or other work by the County hereunder shall be deemed "Work" under Article 7, and shall be subject to all of the requirements thereunder, including Landlord's prior written approval. The County shall provide Landlord with evidence that any Work required hereunder has been performed from time within five (5) days after Landlord's request therefor.

B. **HVAC Maintenance.** If the Premises are served exclusively by any HVAC units or other systems or equipment, the County shall enter into annual, written maintenance contracts with competent, licensed contractors. Such contracts shall include, and the County shall require that such contractors provide: (i) inspection, cleaning and testing at least quarterly for HVAC units and semi-annually for other systems and equipment (or more frequently if required by applicable Law), (ii) any servicing, maintenance, repairs and replacements of filters, belts or other items determined to be necessary or appropriate as a result of such inspections and tests, or by the manufacturers' warranty, service manual or technical bulletins, or otherwise required to ensure proper and efficient operation, including emergency work, (iii) all other work as shall be reasonably required by the County, Landlord or Landlord's insurance carriers, (iv) a detailed

record delivered to Landlord and the County of all services performed, and (v) an annual service report delivered to Landlord and the County at the end of each calendar year. Within thirty (30) days after Landlord's written request, the County shall provide Landlord with a copy of all maintenance contracts. Such maintenance contracts represent part of the County's obligations under this Article, and shall not be deemed to limit the County's general obligations to keep any HVAC equipment and other systems and equipment hereunder in good working order, repair and condition as further described in paragraph A, above.

C. **Landlord Maintenance and Repairs.** Landlord shall keep the roof above, foundation, exterior walls other than storefront, common utility lines to the point of connection for the County, and structural portions of the Premises in good working order and repair, provided that the County shall give Landlord reasonable prior notice of the necessity for such repairs, and further provided that any damage thereto shall not have been caused by any act or omission of, or violation of this Lease by, the County or any other occupant of the Premises, or any of their employees, agents or contractors, in which event Landlord may perform or require that the County perform such repairs as provided above (without limiting Landlord's other remedies therefor). The County shall have no obligation to make repairs to the foregoing areas except as provided above. The County shall give prior notice to Landlord of the need for such repair promptly following the County's actual knowledge of the need for such repair. The failure of the County to notify Landlord of the need for such repair shall not absolve Landlord of the need to effectuate such repair promptly following Landlord's actual knowledge of the need for such repair.

D. **Refurnishing and Remodeling.** The County shall repaint the Premises at reasonable periodic intervals to assure that the same is kept in a good condition throughout the Lease Term, as the same may be extended, and to assure that the décor and condition of the Premises is consistent and compatible with the standards prevailing for first-class mixed-use projects in the Bethesda-Chevy Chase market area. In addition to the foregoing, not more frequently than one (1) time in any five (5) year period, if Landlord advises the County that substantially all of the other retail tenants in the Building have been ordered to refurnish and remodel their premises as part of a Building-wide effort, upon reasonable written notice to the County, Landlord shall have the right to require the County to undertake such refurnishing and remodeling, which refurnishing and remodeling shall be performed at the County's sole expense, subject to Article 41, except that failure of the County to appropriate funds for refurnishing and remodeling shall not result in a termination of this Lease (in which event Landlord at its expense shall have the right, but not the obligation, to perform some or all of such refurnishing and remodeling with identical (or as close as reasonably possible) materials.

ARTICLE 12

COMMON AREAS

A. **Use of Common Areas.** The County may use the Common Areas to which, and for the purposes for which, other tenants at the Center are given access during the Term, subject to the following conditions:

(i) The Common Areas shall be used by the County and the County's employees and invitees on a non-exclusive basis in common with employees and invitees of Landlord and other tenants and parties to whom the right to use the Common Areas has been or is hereafter granted.

(ii) The County shall not directly or indirectly conduct business in the Common Areas or make any use of the Common Areas which interferes in any way with the use of the Common Areas by other parties.

(iii) The County's use of the Common Areas shall be subject to the other provisions of this Lease, including without limitation, the Rules attached as Exhibit D hereto, provided, however, that such Rules do not conflict with the provisions of this Lease or discriminate against the County in relation to a majority of the other tenants of the Center.

(iv) The County's right to use the Common Areas shall terminate upon the expiration or earlier termination of this Lease or the County's right to possession of the Premises.



B. **Common Area Maintenance and Control.** Landlord shall administer, manage, operate, clean, insure, maintain, replace and repair the Common Areas. The County shall not be required to pay Common Area expenses. Landlord reserves the right at all times to determine the nature and extent of all Common Areas, and shall have exclusive control and management thereof. Landlord shall have the right to close all or a portion of the Common Areas, and shall have the right to take such other actions as are further described in Article 21, provided that such closure shall not materially adversely interfere with ingress to or egress from the Premises. Landlord reserves the right to use, permit or deny the use of the Common Areas for any purpose which in Landlord's sole opinion may be in the best interests of the Center, including without limitation promotions, events, exhibits, displays, shows and other activities.

C. **Interruption of Services or Use.** Landlord does not warrant that any services to, or any use of, the Common Areas will be free from shortages, failures, variations, or interruptions caused by repairs, maintenance, replacements, improvements, alterations, changes of service, strikes, lockouts, labor controversies, accidents, inability to obtain services, fuel, steam, water or other utilities or supplies, governmental requirements or requests, or other causes beyond Landlord's reasonable control. None of the same shall be deemed an eviction or disturbance of the County's use and possession of the Premises or any part thereof, or render Landlord liable to the County for abatement of Rent, or relieve the County from performance of the County's obligations under this Lease. Landlord in no event shall be liable for damages by reason of such shortages, failures, variations or interruptions, including without limitation loss of profits, business interruption or other incidental or consequential damages.

D. **Definition of Common Areas.** The term "Common Areas" herein means all areas of the Center which are now or hereafter made available by Landlord from time to time for the general use or benefit of Landlord, other tenants at the Center, other parties to whom the right to use the Common Areas has been or is hereafter granted, and their employees and invitees, as such areas currently exist and as they may be changed from time to time. The Common Areas may, at Landlord's election, include areas in adjoining properties which are or become available to Landlord, tenants, employees and invitees of the Center and which are maintained with the Common Areas under any reciprocal easement agreement, operating agreement or other such agreement now or hereafter in effect. Without limiting the generality of the foregoing, the Common Areas may include, as designated by Landlord from time to time, any parking areas and structures (whether in tiers or at, above or below grade), mall enclosures and roofs covering Center buildings, entrances, non-perimeter sidewalks, streets or roadways, passageways, concourses, courts, arcades, service corridors, loading platforms and truck docks, delivery areas, escalators and elevators, ramps, stairs, landscaped and vacant areas, public bathrooms, information and telephone booths, directory signs and equipment, common lighting facilities, drainage areas, lounges and shelters, package pick-up stations, drinking fountains, public comfort and first aid stations, public meeting rooms (not including the County's meeting rooms located in the Premises), auditoriums, bus stops, taxi stands, and all furniture, decorations, fixtures, improvements, Systems and Equipment, and other facilities, located in or serving any of the foregoing, except to the extent reserved for use by one or more designated tenants.

ARTICLE 13

INSURANCE, SUBROGATION, AND/WAIVER OF CLAIMS

A. The County shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of commercial general liability insurance with bodily injury limits of \$200,000 (Two Hundred Thousand Dollars) for injury (or death) to one person, \$500,000 (Five Hundred Thousand Dollars) per occurrence, and property damage insurance with a limit of \$200,000 (Two Hundred Thousand Dollars). The County shall have the right to self-insure. These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, under the Local Government Tort Claims Act, Ann. Code, Cts & Jud. Proc. Sect. 5-301 et seq. (2006 Repl. Vol) as amended. If such maximum limits of liability are increased, the County shall maintain insurance, or self-insure, hereunder in the amount of such increased maximum limits.

B. The County agrees that it will not keep in or upon the Premises any article which may be prohibited by the standard form of fire or hazard insurance policy.

C. The County will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence upon or at the Premises, or the occupancy or use by the County of the Premises or any part thereof, or the County's use of the exterior areas provided by Landlord for the comfort and convenience of County, occasioned wholly or in part, to such extent, by any act or omission of the County, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of Landlord, Landlord's agents, and employees. Landlord shall provide notice of claim to the County as required in Section 13.E. below. The County shall indemnify Landlord against any penalty, damage or charge incurred or imposed by reason of the County's violation of any law or ordinance.

D. Within thirty (30) days of Landlord's request, the County shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described.

E. Any indemnification given by the County is subject to the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. Sec. 5-301, et seq. (2006 Repl. Vol.) (the "LGTC"); Md. Code Ann. Art. 25A, Sec. 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2006 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time.

F. Except for claims arising from Landlord's intentional or negligent acts or omissions that are not covered by the insurance coverages specified in Article 13.A. hereunder, the County waives all claims against Landlord for injury or death to persons, damage to property or to any other interest of the County sustained by the County or any Party claiming through the County resulting from: (i) any occurrence in or upon the Premises, (ii) leaking of roofs, bursting, stoppage or leaking of water, gas, sewer or steam pipes or equipment, including sprinklers, (iii) wind, rain, snow, ice, flooding, freezing, fire, explosion, earthquake, excessive heat or cold, fire or other casualty, (iv) the Center, Premises, Systems or Equipment being defective, out of repair, or failing, and (v) vandalism, malicious mischief, theft or other acts or omissions of any other parties including without limitation, other tenants, contractors and invitees at the Center. To the extent that the County is required to or does carry insurance hereunder, the County agrees that the County's property loss risks shall be borne by such insurance, and the County agrees to look solely to and seek recovery only from its insurance carriers in the event of such losses; for purposes hereof, any deductible amount shall be treated as though it were recoverable under such policies.

G. Landlord shall obtain and maintain during the Term of this Lease, as the same may be extended, a policy of general liability insurance with limits of \$1,000,000.00 or such greater amount as may be deemed prudent by Landlord or required by Landlord's lender including fire, legal liability, contractual liability, products and completed operations, and personal injury coverage. In addition, Landlord shall obtain and maintain a Special Form (All Risk) policy of property insurance insuring the Building, excluding the cost of the County's Initial Work and any other Work performed by the County or other tenants, to full replacement value (excluding foundations and footers) or to such other limits that may be required by Landlord's lender. Landlord, at its sole option, may procure and maintain additional policies of insurance as it may reasonably deem prudent from time to time.

H. All such insurance required to be carried by Landlord: (a) shall be with an insurance company licensed to do business in the State of Maryland and having a Best's rating of no less than A-/VIII, (b) may, with respect to the liability insurance described in this Article 13, consist of a combination of primary insurance coverage and umbrella insurance coverage, and (c) may be insured under a blanket insurance policy covering multiple properties or locations, provided the minimum amount required to be applicable to the Building shall not be diminished by virtue of such blanket coverage. If requested by the County, certificates of insurance shall be provided. Landlord's property insurance shall provide or contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured has released its right of action against any party before the occurrence of a loss. Landlord shall provide a certificate of insurance or other reasonable documentation evidencing the coverage hereinabove described within thirty (30) days after execution of this Lease by Landlord and Tenant.



ARTICLE 14

CASUALTY DAMAGE

A. **Restoration by Landlord.** If the Premises shall be damaged by fire or other casualty, Landlord shall use available insurance proceeds to repair the Premises, except that Landlord shall not be required to repair or replace any of the County's furniture, furnishings, fixtures or equipment, or any alterations or improvements made by or on behalf of the County, and Landlord's obligations shall be subject to any governmental requirements or requirements of any Lender (hereinafter defined) and such Lender's right to control, apply or withhold such insurance proceeds. Landlord shall not be liable for any inconvenience or annoyance to the County or its visitors, or injury to the County's business resulting in any way from such damage or the repair thereof.

B. **Restoration by the County.** If Landlord repairs the Premises as provided herein, the County shall repair and replace the Tenant Work, all items required to be insured by the County hereunder, and all other items required to restore the Premises to the condition required under Article 11 of this Lease. The County shall commence such work within thirty (30) days following delivery of written notice to the County of substantial completion by Landlord of any repairs required by Landlord hereunder and shall proceed diligently therewith to completion. The County's work hereunder shall constitute "Work" under Article 7 and shall be subject to all of the provisions thereof. The County may close the Premises for business to the extent reasonably required in connection with such Work.

C. **Termination of Lease.** Notwithstanding the foregoing to the contrary, Landlord may elect to terminate this Lease, if the Center is materially damaged by the County or any other occupant of the Premises, or any of their agents, employees, invitees or contractors, or if the Center is damaged by fire or other casualty or cause such that: (a) more than 25% of the Premises is affected by the damage, (b) the damage occurs less than one year prior to the end of the Term, (c) any Lender requires that the insurance proceeds or any portion thereof be applied to the Mortgage (hereinafter defined) debt or the damage is not fully covered by Landlord's insurance policies, or (d) in Landlord's reasonable opinion, the cost of the repairs, alterations, restoration or improvement work would exceed 25% of the replacement value of the Center or of the portion thereof owned by Landlord (whether or not the Premises are affected) and the leases of substantially all other similarly situated retail tenants in the Building are terminated. In any such case, Landlord may terminate this Lease by notice to the County within 120 days after the date of damage (such termination notice to include a termination date providing at least thirty (30) days for the County to vacate the Premises). In addition to the foregoing termination rights of Landlord, Landlord and the County each shall have the right to terminate this Lease, by written notice to the other delivered within 120 days after the date of casualty or damage (such termination notice to include a termination date providing at least thirty (30) days for the County to vacate the Premises), if Landlord, in its reasonable opinion, estimates that it cannot restore the Premises to the extent required in subparagraph A. hereof within one (1) year following the date of casualty or damage. The County agrees that Landlord's obligation to restore, and the abatement of Rent provided herein, shall be the County's sole recourse in the event of such damage, and waives any other rights the County may have under any applicable Law to terminate this Lease by reason of damage to the Premises or Center.

ARTICLE 15

CONDEMNATION

In the event that the Premises, or any part thereof, or more than twenty five percent (25%) of the Building of which the Premises are a part is taken or condemned for public use or purpose by any competent authority, the County shall have no claim against Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation. Upon such condemnation or taking, the term of this Lease shall cease and terminate from the date of such governmental taking or condemnation and the County shall have no claim against Landlord for the value of any unexpired term of this Lease. The foregoing notwithstanding, the County shall be entitled to claim, prove and receive in the condemnation proceedings such awards as may be allowed for relocation expenses and for fixtures and other equipment installed by the County which shall not, under the terms of this Lease, be or become the property of Landlord at the termination hereof, but only if such an

award is made by condemning authorities in addition to and stated separately from the award made for the land and the Building or parts thereof so taken.

ARTICLE 16

RETURN OF POSSESSION

At the expiration or earlier termination of this Lease or the County's right of possession, the County shall surrender possession of the Premises in broom-clean condition and good repair, free of debris, and otherwise in the condition required under Article 11 (reasonable wear and tear and damage by casualty and condemnation excepted), and shall ensure that all signs, vaults, safes, shelving, showcases, mirrors, and movable trade fixtures and personal property have been removed therefrom and that any damage caused thereby has been repaired. All leasehold improvements and other fixtures, such as light fixtures and HVAC equipment, plumbing fixtures, hot water heaters, fire suppression and sprinkler systems, wall coverings, carpeting and drapes, in or serving the Premises, whether installed by the County or Landlord, shall be Landlord's property and shall remain, all without compensation, allowance or credit to the County. If the County shall fail to perform any repairs or restoration, or fail to remove any items from the Premises as required hereunder, and such failure continues for more than fifteen (15) days after delivery of written notice to the County, Landlord may do so, and the County shall pay Landlord the actual, reasonable cost thereof upon demand. All property removed from the Premises by Landlord hereunder may be handled, discarded or stored by Landlord, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. All such property shall at Landlord's option be conclusively deemed to have been conveyed by the County to Landlord as if by bill of sale without payment by Landlord.

ARTICLE 17

HOLDING OVER

If the County shall hold possession of the Premises after the expiration or termination of this Lease, (i) the County shall be deemed to be occupying the Premises as a tenant from month to month, and will be subject to all of the terms and conditions of this Lease, during which time either Party may terminate this Lease on thirty (30) days' written notice, and/or (ii) Landlord may exercise any remedies it has under this Lease or at law in equity including an action for holding over after the date stipulated in Landlord's notice above.

ARTICLE 18

SUBORDINATION, ATTORNMENT AND MORTGAGEE PROTECTION

This Lease is subject and subordinate to all Mortgages now or hereafter placed upon the Center, and all other encumbrances and matters of public record applicable to the Center, including without limitation, any reciprocal easement or operating agreements, covenants, conditions and restrictions and the County shall not knowingly or negligently act or permit the Premises to be operated in violation thereof. If any foreclosure or power of sale proceedings are initiated by any Lender or a deed in lieu is granted, the County agrees, upon written request of any such Lender or any purchaser at such sale, to attorn and pay Rent to such Party and to execute and deliver the Subordination, Non-Disturbance, and Attornment Agreement in the same form attached as Exhibit G to effectuate such attornment. In the event of attornment, no Lender shall be: (i) liable for any act or omission of Landlord, or subject to any offsets or defenses which the County might have against Landlord (prior to such Lender becoming Landlord under such attornment), (ii) liable for any security deposit or bound by any prepaid Rent not actually received by such Lender, or (iii) bound by any future modification of this Lease not consented to by such Lender. Any Lender may elect to make this Lease prior to the lien of its Mortgage, and if the Lender under any prior Mortgage shall require, this Lease shall be prior to any subordinate Mortgage; such elections shall be effective upon written notice to the County. The County agrees to give any Lender by certified mail, return receipt requested, a copy of any notice of default served by the County upon Landlord, provided that prior to such notice the County has been notified in writing (by way of service on the County of a copy of an assignment of leases, or otherwise) of the name and address of such Lender. The County further agrees that if Landlord shall have failed to cure such default within the time permitted Landlord for cure under this Lease, any such Lender whose address has been so provided to the County shall have an

additional period of thirty (30) days in which to cure (or such additional time as may be required due to causes beyond such Lender's control, including time to obtain possession of the Center by power of sale or judicial action). The provisions of this Article shall be self-operative; however, the County shall execute such reasonable documentation acceptable to the County as Landlord or any Lender may reasonably request from time to time solely to confirm the matters set forth in this Article in reasonable recordable form; provided, however, such Lender shall agree (i) to comply with Landlord's obligations under this Lease from and after the date such Lender becomes Landlord under the Lease, until such Lender is no longer owner of the Center, and (ii) that so long as there is no Default (as defined in Article 22) under this Lease, such Lender shall recognize the County's tenancy hereunder.

ARTICLE 19

ESTOPPEL CERTIFICATE

The County shall from time to time, within twenty (20) days after written request from Landlord (which requests Landlord may not make more than four (4) times in any twelve (12) month period), execute, acknowledge and deliver a statement in the same form as the statement attached hereto as Exhibit F. Any such statement may be relied upon by Landlord or any lender or prospective lender or purchaser of the Center or any interest therein. If the County shall fail to execute and return such statement within the time required herein, then Landlord may deliver to the County notice of such failure.

ARTICLE 20

ASSIGNMENT AND SUBLETTING

The County acknowledges that Landlord has entered this Lease with the express understanding that the Premises shall be used solely by the County and solely for the Permitted Use. Accordingly, the County shall not: (i) assign, mortgage, pledge, hypothecate, encumber, permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, by operation of law or otherwise, (ii) sublet the Premises or any part thereof, or extend, renew or modify any sublease, or (iii) permit the use of the Premises by any parties other than the County and its employees, whether as licensee, concessionaire, franchisee or otherwise (all of the foregoing are hereinafter referred to collectively as "Transfers" and any Party to whom any Transfer is made or sought to be made is hereinafter referred to as a "Transferee"). Any purported Transfer shall be null, void and of no effect (which shall not be in limitation of Landlord's other remedies).

ARTICLE 21

RIGHTS RESERVED BY LANDLORD

Except to the extent expressly limited herein, Landlord reserves full rights to control the Center (which rights may be exercised without subjecting Landlord to claims for constructive eviction, abatement of Rent, damages or other claims of any kind), including more particularly, but without limitation, the following rights:

A. **Access to Premises.** Landlord and its authorized representatives may: (i) inspect the Premises upon at least twenty-four (24) hours' notice to the County, (ii) exhibit the Premises to current and prospective tenants, purchasers, lenders, insurers, governmental authorities, and brokers, (iii) place in and upon the Premises or such other places as may be determined by Landlord "For Rent" signs or notices if the County shall abandon or vacate the Premises, or at any time during the last 120 days of the Term, (iv) enter or permit entry to the Premises in emergencies or in the event of imminent risk to persons or property or, upon at least twenty-four (24) hours' notice to the County, for any other reasonable purpose, or for the purpose of exercising any other rights or remedies expressly granted or reserved to Landlord under this Lease or applicable Law, or to make any repairs, maintenance, improvements or alterations, or other work in or about the Center, and (v) in connection therewith, erect scaffolding and temporary barricades and take into, upon or through the Premises, materials required to perform the same, and if reasonably required, move the County's leasehold improvements, fixtures, property and equipment. However, in connection with entering the Premises to exercise any of the foregoing rights, Landlord shall take commercially reasonable steps to minimize any

interference with the County's business, and following completion of the work, return the County's leasehold improvements, fixtures, property and equipment to the original locations and condition to the fullest extent reasonably possible.

B. **Reserved Areas.** Landlord reserves all rights to use (or grant other parties the right to use) and the County shall have no right, title or interest in: (i) the roof of the Center, (ii) exterior non-storefront portions of the Premises (including, without limitation, demising walls and outer walls of the area of the Center in which the Premises are located), (iii) air rights above the Premises and rights to the land and improvements below the floor level of the Premises, and (iv) areas within the Premises necessary for utilities, services, safety and operation of the Center that will not materially interfere with the County's use of the Premises, including the Systems and Equipment, fire stairways, and space between the suspended ceiling of the Premises and the slab of the floor or roof of the Center thereabove. If the Premises do not contain a suspended ceiling, the Premises shall extend vertically to the height where, in Landlord's reasonable opinion, a suspended ceiling would otherwise exist, and Landlord reserves the right to install a suspended ceiling and use the area thereabove.

C. **Access to Center.** Landlord may prevent or restrict access to the Center or designated portions thereof by such security procedures as Landlord may from time to time impose on days and hours when the Center is, or portions thereof are, closed for business to the public. Landlord reserves the right to control, prevent access by and remove, any person whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Center, or who in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs.

D. **Emergency Closings.** Landlord shall have the right (but not the obligation) to limit or prevent access to all or any portion of the Center, shut down elevator and escalator service, activate emergency controls or procedures, or otherwise take such action or preventive measures deemed reasonably necessary by Landlord for the safety of tenants or other occupants of the Center or the protection of the Center or other property located thereon or therein, in case of fire or other casualty, riot or other civil disorder, strike or labor unrest, public excitement or other dangerous condition, or threat thereof.

E. **Other Tenants.** Landlord reserves the right to lease any portion of the Center to such other tenants as Landlord, in Landlord's sole discretion, deems appropriate, whether or not engaged in the same or similar business for which the County is permitted to use the Premises under this Lease. The County acknowledges that Landlord has made no representations as to the presence of any specific tenant or number or types of tenants at the Center as of or after the Commencement Date, hours or days that such other tenants shall or may be open for business. A vacation or abandonment of its premises or cessation of business in the Center by any other tenant or occupant shall not release or excuse the County from the County's obligations under any provision of this Lease.

F. **Changes to the Center.** Landlord reserves the right to: (i) change the name of the Center and the address or designation of the Premises or the building in which the Premises are located, (ii) install, maintain, alter and remove signs on or about the exterior and interior of the Center, (iii) add land, easements or other interests to or eliminate the same from the Center, and grant easements and other interests and rights in the Center to other parties, (iv) add, alter, expand, reduce, eliminate, relocate or change the shape, size, location, character, design, appearance, use, number or height of any permanent or temporary buildings, structures, improvements, surface parking, subterranean and multiple level parking decks, kiosks, planters, pools, waterfalls, parking areas, driveways, landscaped areas and other Common Areas, change the striping of parking areas and direction and flow of traffic, and convert Common Areas to leasable areas and leasable areas to Common Areas, (v) enclose any mall or other area, or remove any such enclosure, or add one or more additional levels or stories to the Center or any portion thereof, whether or not the Premises are contained therein, and add structural support columns that may be required within the Premises or Common Areas, (vi) relocate any HVAC equipment serving the Premises installed on the roof or other area outside the Premises if Landlord constructs an additional story or level or otherwise alters the Center, and (vii) in connection with the foregoing matters, or with any other inspections, repairs, maintenance, improvements or alterations in or about the Center, or as a result of any casualty, incident, strike, condemnation, act of God, Law or governmental requirement or request, or any other cause, erect scaffolding, barricades, and other structures reasonably required in, or otherwise close,

Common Areas or portions thereof, including but not limited to public entry ways and areas, restrooms, stairways, escalators, elevators and corridors. However, in connection with exercising such rights, Landlord shall: (a) take reasonable steps to minimize or avoid any denial of comparable access to the Premises except when necessary on a temporary basis, (b) not materially and adversely affect the visibility of the Premises (c) take reasonable steps to avoid materially changing the configuration or reducing the square footage of the Premises, unless required by Laws or other causes beyond Landlord's reasonable control, (d) not reduce the number of parking spaces serving the Building below the number required by law, (e) at Landlord's expense, move the County's entrance doorway if access thereto is materially impaired, and (f) if Landlord enters the Premises in connection with any of the foregoing matters, comply with paragraph A above.

G. **Termination or Relocation.** Landlord reserves the right to substitute for the Premises other premises (herein referred to as the "new premises") at the Center, provided: (a) the new premises shall be similar to the Premises in square footage, and Landlord shall improve or reimburse the County's direct, out-of-pocket reasonable expenses of improving the new premises so that it is substantially similar to the Premises, (b) Landlord shall give the County at least sixty (60) days' notice before making such change, and the parties shall execute an amendment to the Lease confirming the change within sixty (60) days after either Party shall request the same, and (c) if the County shall already have taken possession of the Premises, Landlord shall pay the direct, out-of-pocket, reasonable expenses of the County in moving from the Premises to the new premises.

ARTICLE 22

LANDLORD'S REMEDIES

A. **Default.** The occurrence of any one or more of the following events shall constitute a "Default" by the County and shall give rise to Landlord's remedies set forth in paragraph (B), below: (i) failure to make when due any payment of Rent, unless such failure is cured within ten (10) days after delivery of written notice, or (ii) failure to observe or perform any term or condition of this Lease other than the payment of Rent, unless such failure is cured within any period of time following notice expressly provided in other Articles hereof, or otherwise within a reasonable time, but in no event more than thirty (30) days following delivery of written notice (or such additional time as may be required due to Unavoidable Delays as defined in Article 28, so long as the cure is commenced within such thirty (30) day period). Failure by the County to comply with the same term or condition of this Lease on three occasions during any twelve-month period shall at Landlord's option, constitute an incurable Default. The notice and cure periods provided herein are in lieu of, and not in addition to, any notice and cure periods provided by Law; provided, Landlord may at any time and from time to time elect to comply with such notice and cure periods as may be provided by Law in lieu of the notice and cure periods provided herein.

B. **Remedies.** If a Default (i.e., beyond the applicable notice and cure period set forth in Section 22.A) occurs, Landlord may terminate this Lease by delivering written notice of termination to the County, and the County shall immediately surrender possession of the Premises. The County shall remain liable for all rent and obligations accruing hereunder through the date of termination under this paragraph. In addition Landlord shall have all other remedies available at law or in equity.

C. **Late Charges and Interest.** The County shall pay, as additional Rent, a service charge of Twenty Five Dollars (\$25.00) if any installment of additional Rent is not received on or before the fifth (5th) day following the day upon which such installment of Rent is due. Notwithstanding the foregoing, such service charge shall not be imposed unless and until the County shall fail to make timely payment of Rent more than two (2) times in any twelve (12)-month period. On the third (3rd) and any subsequent occurrence in any twelve (12)-month period of the County's failure to timely pay Rent, the service charge shall automatically become due and payable and Landlord shall have no obligation to deliver written notice to the County of the County's failure to timely pay Rent. In addition, any Rent not paid when due shall accrue interest from the due date at the Default Rate until payment is received by Landlord (provided that if the County pays the Twenty Five Dollars (\$25.00) service charge set forth above, then the County shall not be required to pay the first Twenty Five Dollars (\$25.00) of interest accruing with respect to such late payment. Such service charges and interest payments shall not be

deemed consent by Landlord to late payments, nor a waiver of Landlord's right to insist upon timely payments at any time, nor a waiver of any remedies to which Landlord is entitled as a result of the late payment of Rent. Landlord shall not be entitled to a service charge or interest payment with respect to any late payment of Annual Rent.

D. Landlord's Cure of the County Defaults. If the County fails to perform any non-monetary obligation under this Lease for thirty (30) days after delivery of written notice thereof by Landlord (except that no notice shall be required in emergencies), Landlord shall have the right (but not the duty), to perform such obligation on behalf and for the account of the County. In such event, the County shall reimburse Landlord upon demand, as additional Rent, for all expenses incurred by Landlord in performing such obligation, and interest thereon at the Default Rate from the date such expenses were incurred. Landlord's performance of the County's obligations hereunder shall not be deemed a waiver or release of the County.

E. Other Matters. Landlord may bring suits for amounts owed by the County hereunder or any portions thereof, as the same accrue or after the same have accrued, and no suit or recovery of any portion due hereunder shall be deemed a waiver of Landlord's right to collect all amounts to which Landlord is entitled hereunder, nor shall the same serve as any defense to any subsequent suit brought for any amount not theretofore reduced to judgment. Landlord may pursue one or more remedies against the County and need not make an election of remedies until findings of fact are made by a court of competent jurisdiction. If Landlord repossesses the Premises by judicial process, the County thereafter may not redeem or reinstate the Lease.

ARTICLE 23

COUNTY'S RIGHT TO CURE

If Landlord shall fail to perform any obligation under this Lease required to be performed by Landlord, Landlord shall not be deemed to be in default hereunder nor subject to claims for damages of any kind, unless such failure shall have continued for a period of thirty (30) days after written notice thereof by the County or such additional time as may be required due to Unavoidable Delays. If Landlord shall fail to cure within the time permitted for cure herein, Landlord shall be subject to such claims for damages and remedies as may be available to the County (subject to the other provisions of this Lease). If Landlord fails to perform any service, repair or maintenance obligation required to be performed by Landlord pursuant to this Lease with respect to the Premises (as distinct from other tenanted space and common areas in or around the Center) within thirty (30) days following delivery of written notice thereof by the County or such additional time as may be required due to Unavoidable Delays, and such failure materially interferes with or denies the County's use of the Premises, then the County upon written notice to Landlord may perform such service, repair or maintenance (unless Landlord is diligently pursuing same) in a first class manner in compliance with all applicable Laws and bill Landlord for the County's third party reasonable out of pocket costs for same. Except as expressly set forth in the immediately preceding sentence, the County shall have no right of self-help to perform repairs or any other obligation of Landlord, and shall have no right to withhold, set off or abate Rent.

ARTICLE 24

INDEMNIFICATION

The County agrees to hold harmless and defend the Landlord from and against any and all damages arising solely out of the County's use of the Premises which are caused by any negligent acts or omission of the County or its employees, except to the extent that claims arise from the negligent acts or omissions of the Landlord's, the Landlord's employees, and contractors. Any indemnification given by the County is subject to the notice requirements and damages limitations stated in the County Indemnification Statutes, as amended from time to time.

The Landlord agrees to hold harmless and defend the County from and against any and all damages arising solely out of the activities on the Premises which are caused by any negligent act or omission of the Landlord or its employees, except to the extent that claims arise from the negligent acts or omissions of the County or the County's employees.

ARTICLE 25

SAFETY AND SECURITY DEVICES, SERVICES AND PROGRAMS

Landlord shall have no obligation to provide any safety or security devices, services or programs for the County or the Center and shall have no liability for failure to provide the same or for inadequacy of any measures provided. However, Landlord may institute or continue such safety or security devices, services and programs as Landlord in its sole discretion deems necessary. The parties acknowledge that safety and security devices, services and programs provided by Landlord, if any, while intended to deter crime and enhance safety, may not in given instances prevent theft or other injurious acts or ensure safety of parties or property. The risk that any safety or security device, service or program may not be effective, or may malfunction, or be circumvented, is assumed by the County with respect to the County's property and interests, and the County shall obtain insurance coverage to the extent the County desires protection against such acts and other losses, beyond that described in Article 13. The County agrees to cooperate in any safety or security program developed by Landlord or required by Law, subject to Article 41, except that failure of the County to appropriate funds for any safety or security program shall not result in a termination of this Lease.

ARTICLE 26

HAZARDOUS MATERIALS

A. The County shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any "Hazardous Material" (as defined below) upon or about the Center, or permit the County's employees, contractors, invitees (of the Premises) and other occupants of the Premises to engage in such activities upon or about the Center.

B. The County shall promptly notify Landlord of: (i) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Premises or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any Party relating to any loss or injury resulting from any Hazardous Material on the Premises, (iii) any release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Premises or in violation of this Article, and (iv) any matters where the County is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Material on the Premises. Landlord shall have the right (but not the obligation) to join and participate, as a Party, in any legal proceedings or actions affecting the Premises initiated in connection with any environmental, health or safety Law. At such times as Landlord may reasonably request, the County shall provide Landlord with a written list, certified to be true and complete, identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet ("MSDS") issued by the manufacturer therefor, and such other information as Landlord may reasonably require or as may be required by Law. The term "Hazardous Material" for purposes hereof shall mean any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of an MSDS.

C. If any Hazardous Material is released, discharged or disposed of by the County or any other occupant of the Premises, or their employees or contractors, on or about the Center in violation of the foregoing provisions, the County shall immediately, properly and in compliance with applicable Laws clean up and remove the Hazardous Material from the Center and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at the County's expense (without limiting Landlord's other remedies therefor). If any Hazardous Material is released, discharged or disposed of on or about the Center and such release, discharge or disposal is not caused by the County or other occupants of the Premises, or their employees, or contractors, such release, discharge or disposal shall be deemed casualty damage under Article 14 to the extent that the Premises are affected thereby; in such case, Landlord and the County shall have the obligations and rights respecting such casualty damage provided under such Article.

D. The Building will reflect excavation of the Center site and new construction of improvements. To Landlord's actual knowledge without independent investigation, the Building will not contain any Hazardous Materials in violation of law as of the Possession Date.

ARTICLE 27

CAPTIONS AND SEVERABILITY

The captions of the Articles and paragraphs of this Lease are for convenience of reference only and shall not be considered or referred to in resolving questions of interpretation. If any term or provision of this Lease or portion thereof shall be found invalid, void, illegal, or unenforceable generally or with respect to any particular Party, by a court of competent jurisdiction, it shall not affect, impair or invalidate any other terms or provisions or the remaining portion thereof, or its enforceability with respect to any other Party.

ARTICLE 28

DEFINITIONS

A. "Center" shall mean The Chevy Chase Center as described in paragraph (B) of Article 1, and any buildings or structures thereon from time to time and operated in conjunction therewith, whether or not shown on Exhibit A hereto, together with the Common Areas, and all parcels or tracts of land owned or ground leased by Landlord from time to time on which all or any portion of the foregoing items are located and any fixtures, Systems and Equipment, furniture and other personal property owned or leased by Landlord located thereon or therein and used in connection therewith. "Center" shall also include, at Landlord's election from time to time, other buildings, structures and parcels or tracts of land owned by other parties which adjoin the other areas of the Center or the Common Areas.

B. [Intentionally Omitted].

C. "Common Areas" shall have the meaning specified therefor in Article 12.

D. [Intentionally Omitted].

E. "Default Rate" shall mean a rate of interest equal to two (2) percentage points above the then applicable prime rate of interest per annum as published in the Money Rates section of The Wall Street Journal, or its successor, or the highest rate permitted by applicable Law, whichever shall be less.

F. [Intentionally Omitted].

G. "HVAC" shall mean heating, ventilating and air-conditioning.

H. [Intentionally Omitted]

I. "Law" or "Laws" shall mean all federal, state, county and local governmental and municipal laws, statutes, ordinances, rules, regulations, codes, decrees, orders and other such requirements, applicable equitable remedies and decisions by courts in cases where such decisions are binding precedents in the State of Maryland, and decisions of federal courts applying the Laws of the State of Maryland, at the time in question.

J. If the Commencement Date is the first day of a calendar month, "Lease Year" shall mean each consecutive twelve (12)-month period commencing on the Commencement Date of this Lease or any anniversary of such date. If the Commencement Date is a date other than the first day of a calendar month, "Lease Year" shall mean the period beginning with the Commencement Date and ending with the last day of the calendar month during which the first (1st) anniversary of the Commencement Date occurs, and each consecutive twelve (12)-month period thereafter.

K. "Lender" shall mean the holder of any Mortgage at the time in question, and where such Mortgage is a ground lease, such term shall refer to the ground lessor.

L. "Mortgage" shall mean all mortgages, deeds of trust, ground leases and other such encumbrances now or hereafter placed upon the Center or any part thereof, and all renewals, modifications, consolidations, replacements or extensions thereof, and all indebtedness now or hereafter secured thereby and all interest thereon.

M. "Rent" shall have the meaning specified therefor in Article 3.

N. "Systems and Equipment" shall mean any plant, machinery, transformers, ducts, cables, wires, and other equipment, facilities, and systems designed to supply light, heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of any electrical, gas, steam, plumbing, water, sewer, sprinkler, communications, alarm, security, or fire/life/safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment for the Center, except to the extent that any of the same serves any tenant exclusively or is subject to shared tenant use as described in Article 11.

O. [Intentionally Omitted].

P. [Intentionally Omitted].

Q. "Unavoidable Delays" shall mean delays due to strikes, lockouts, labor troubles, inability to procure labor or materials or reasonable substitutes therefor (but not through the Landlord's failure to timely order), failure of power, governmental requirements, restrictions or Laws, fire or other casualty damage, war or civil disorder, or other causes beyond the reasonable control of the Party delayed; provided, Unavoidable Delays hereunder shall not include delays resulting from changes in economic or market conditions, or financial or internal problems of the parties or problems that can be satisfied by the payment of money. As a condition to either Party's right to claim an Unavoidable Delay, the claiming Party shall notify the other Party within seven (7) days after the delay occurs and on at least a weekly basis thereafter describing in reasonable detail the nature and the status of the claiming Party's diligent efforts to end the delay.

ARTICLE 29

RULES

The County shall comply with all of the rules which are set forth in Exhibit D attached to this Lease, as the same may be amended or supplemented hereunder (the "Rules"). Landlord shall have the right by notice to the County to reasonably amend such Rules and supplement the same with other reasonable Rules relating to the Center or the promotion of safety, care, cleanliness or good order therein. However, any change to the Rules shall not be effective until after thirty (30) days' written notice to the County of any such Rule change or addition. Nothing herein shall be construed to give the County or any other Party any claim against Landlord arising out of the violation of such Rules by any other tenant, occupant or visitor of the Center, or out of the enforcement, modification or waiver of the Rules by Landlord in any particular instance. In the event of any conflict between a provision of this Lease and a Rule, the provision of this Lease shall govern. Landlord shall not discriminate against the County in the enforcement of any Rule.

ARTICLE 30

NO WAIVER

No provision of this Lease will be deemed waived by either Party unless expressly waived in writing signed by the waiving Party. No waiver shall be implied by delay or any other act or omission of either Party. The waiver at any time by Landlord or the County of any particular covenant or condition of this Lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further other rights of any character whatsoever. Landlord's consent respecting any action by the County shall not constitute a waiver of the requirement for obtaining Landlord's consent respecting any subsequent action. Acceptance of Rent by Landlord shall not constitute a waiver of any breach by the County of any term or provision of this Lease. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of



Landlord's right to receive the full amount due. No endorsement or statement on any check or letter accompanying a check for payment or rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or to pursue any other remedy provided in this Lease.

ARTICLE 31

WAIVER OF JURY TRIAL AND SELECTION OF VENUE

SHOULD ANY CONTROVERSY ARISE BY AND BETWEEN THE PARTIES CONCERNING ANY OF THE TERMS AND CONDITIONS CONTAINED IN THIS LEASE, OR THE PAYMENT OF MONIES DUE HEREUNDER, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A JURY TRIAL AND FREELY ELECTS TO BE TRIED BY A COURT OF COMPETENT JURISDICTION WITHOUT A JURY LOCATED IN MONTGOMERY COUNTY, MARYLAND. If Landlord commences any action seeking possession of the Premises, the County shall not interpose any counterclaim (other than counterclaims pertaining to Landlord's complaint), claim for set-off, recoupment or deduction of Rent, or other claim seeking affirmative relief of any kind (except a mandatory or compulsory counterclaim which the County would forfeit if not so interposed).

ARTICLE 32

PERSONAL PROPERTY TAXES

The County shall pay before delinquent all taxes, assessments, license fees, charges or other governmental impositions assessed against or levied or imposed upon the County's business operations, the County's leasehold interest, or based on the County's use or occupancy of the Premises, or the County's fixtures, furnishings, equipment, leasehold improvements, inventory, merchandise, and personal property located in the Premises (whether or not title shall have vested in Landlord pursuant to any provision hereof). Whenever possible, the County shall cause all such items to be assessed and billed separately from the property of Landlord and other parties. If any such items shall be assessed and billed with the property of Landlord or another Party, Landlord shall include the same or an appropriate portion thereof in Building Expenses, or shall reasonably allocate the same or an appropriate share thereof between the County and such other Party (and the County shall promptly pay the amount so allocated to the County).

ARTICLE 33

CONVEYANCE BY LANDLORD AND LIABILITY

In case Landlord or any successor owner of the Center shall convey or otherwise dispose of any portion thereof in which the Premises are located to another Party (and nothing herein shall be construed to restrict or prevent such conveyance or disposition), such other Party shall thereupon be and become landlord hereunder and shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord. The County shall attorn to such other Party, and Landlord or such successor owner shall, from and after the date of conveyance, be free of all liabilities and obligations hereunder. The liability of Landlord to the County for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration, or any other matter relating to the Center or the Premises, shall be limited to the interest of Landlord in the Center. The County agrees to look solely to Landlord's interest in the Center for the recovery of any judgment against Landlord, and Landlord shall not be personally liable for any such judgment or deficiency after execution thereon.

ARTICLE 34

NOTICES

Except as expressly provided to the contrary in this Lease, every notice, demand or other communication given by either Party to the other with respect hereto or to the Premises or Center, shall be in writing and shall not be effective for any purpose unless the same shall be served personally or by national air courier service, or United States registered or certified mail,

return receipt requested, postage prepaid, addressed, if to the County, at the address set forth in Article 1.I of this Lease, and if to Landlord, at 8401 Connecticut Avenue, Chevy Chase, Maryland 20815, Attn: Ms. Michele H. Cornwell, with a copy to James Grier Hoyt, Esquire, Linowes and Blocher LLP, 7200 Wisconsin Avenue, Suite 800, Bethesda, Maryland, 20814-4842, or such other address or addresses as the County or Landlord may from time to time designate by notice given as above provided. Every notice or other communication hereunder shall be deemed to have been given as of the second business day following the date of such mailing or dispatch by national air courier service (or as of any earlier date evidenced by a receipt from such national air carrier service or the United States Postal Service) or immediately if personally delivered. Notices not sent in accordance with the foregoing shall be of no force or effect until received by the foregoing parties at such addresses required herein.

ARTICLE 35

REAL ESTATE BROKERS

Landlord and the County each represents and warrants to the other that it did not engage or deal with any broker, agent or finder in connection with the procurement of the County or the negotiation of this Lease.

ARTICLE 36

INTENTIONALLY OMITTED

ARTICLE 37

MISCELLANEOUS

A. Each of the terms and provisions of this Lease shall be binding upon and inure to the benefit of the Parties hereto, their respective heirs, executors, administrators, guardians, custodians, successors and assigns, subject to the provisions of Article 20 respecting Transfers.

B. This Lease shall not be recorded. However, in lieu of recording this Lease, a memorandum hereof in the form attached hereto as Exhibit H shall be executed, in recordable form, by both parties concurrently herewith and may be recorded by the County, at the County's expense, among the Land Records of Montgomery County, Maryland. Upon the expiration of the Term or earlier termination of this Lease, the County shall immediately execute and deliver a Release, in recordable form as attached hereto as Exhibit I in recordable form.

C. This Lease shall be construed in accordance with the Laws of the State of Maryland.

D. All obligations (including indemnity obligations) or rights of either Party arising during or attributable to the period prior to expiration or earlier termination of this Lease shall survive such expiration or earlier termination, except as provided to the contrary in Article 33.

E. The Parties agree that they intend hereby to create only the relationship of landlord and tenant. No provision hereof, or act of either Party hereunder, shall be construed as creating the relationship of principal and agent, or as creating a partnership, joint venture or other enterprise, or render either Party liable for any of the debts or obligations of the other Party, except under any indemnity provisions of this Lease.

F. The County acknowledges that any site or base plan of the Center attached as an Exhibit hereto shall not be deemed a representation, warranty or agreement by Landlord respecting the Center or any other matter shown thereon other than the approximate location of the Premises, and that other parties unrelated to Landlord may own or control portions of the Center shown on such Exhibit.

G. If applicable Laws require that this Lease be in the form of a deed, this Lease shall be deemed a deed of lease for all purposes, and Landlord shall be deemed to have granted and demised the Premises to the County for the Term hereof, subject to the other terms and provisions contained herein.

H. This Lease, and any Exhibits hereto, have been mutually negotiated by Landlord and the County, and any ambiguities shall not be interpreted in favor of either Party. Any printed provisions that have been deleted shall not be used to interpret the remaining provisions.

I. The County waives the provisions of Maryland Code, Real Property Article, Section 8-107, or any similar statute or rule of law, which would have the effect of extinguishing Landlord's reversion in the Premises for non payment of rent.

ARTICLE 38

RENEWAL OPTION

If this Lease shall then be in full force and effect, then for so long as the current site plan for the Center is in effect, the County shall have options to extend the Term of this Lease for successive additional periods of five (5) years each (each, a "Renewal Term"); it being understood and agreed that each such option to extend the Term of this Lease is not assignable. The Renewal Terms shall be upon the same terms and conditions as contained in this Lease.

If the County shall elect to exercise said option, it shall do so by giving written notice thereof to Landlord not later than fifteen (15) months prior to the expiration date of the initial Term of this Lease or the applicable Renewal Term (as the case may be), or (ii) fifteen (15) days after Landlord delivers written notice to the County that less than fifteen (15) months remain during the initial Term or the applicable Renewal Term, as the case may be, and Landlord has not received a renewal notice from the County, time being of the essence.

If the Term of this Lease is properly renewed by the County as provided herein, the definition of "Term" as used in this Lease shall automatically be deemed to mean the initial Term and any Renewal Terms exercised by the County hereunder.

ARTICLE 39

AMERICANS WITH DISABILITIES ACT; TENANT-REQUIRED PROVISIONS

A. **Americans with Disabilities Act.** The Americans with Disabilities Act of 1990 (42 U.S.C. §12101 *et seq.*) and regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time shall collectively referred to herein as the "ADA". The parties hereby agree that: (a) Landlord shall be responsible for ADA Title III compliance in the Common Areas, except as provided below, (b) the County shall be responsible for ADA Title III compliance in the Premises, including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease, and (c) Landlord may perform, or require that the County perform, and the County shall be responsible for the cost of, ADA Title III "path of travel" requirements triggered by alterations in the Premises. The County shall be solely responsible for requirements under Title I of the ADA relating to the County's employees.

B. **Ethics Representation.** Landlord understands and agrees that unless authorized pursuant to Section 11B-52 and Chapter 19A of the Montgomery County Code 2004 as amended, that it is unlawful for any person or entity transacting business with the County to employ a public employee for employment contemporaneous with his or her public employment.

C. **Non-Discrimination.** Landlord agrees to comply with the non-discrimination policies as required in Chapter 27 of the Montgomery County Code (2004), as amended from time to time, as well as all other applicable federal, state and local laws and regulations regarding discrimination.

ARTICLE 40

ENTIRE AGREEMENT

This Lease, together with Exhibits A, A-1, A-2 and B through I (**WHICH COLLECTIVELY ARE HEREBY INCORPORATED WHERE REFERRED TO HEREIN AND MADE A PART HEREOF AS THOUGH FULLY SET FORTH**), contains all the terms and provisions between Landlord and the County relating to the matters set forth herein and no prior or contemporaneous agreement or understanding pertaining to the same shall



be of any force or effect. TENANT HAS RELIED ON TENANT'S INSPECTIONS AND DUE DILIGENCE IN ENTERING THIS LEASE AND NOT ON ANY REPRESENTATIONS OR WARRANTIES MADE BY LANDLORD CONCERNING THE CONDITION OR SUITABILITY OF THE PREMISES OR CENTER FOR ANY PARTICULAR PURPOSE. Neither this Lease, nor any Exhibits referred to above, may be modified, except in writing signed by both Parties.

ARTICLE 41

APPROPRIATION

This Lease is subject to the appropriation of funds. If funds are not appropriated, for any reason whatsoever, this Lease will automatically terminate on July 1 of the calendar year which the County does not appropriate funds. The County shall give Landlord at least thirty (30) days' written notice of the lack of appropriation. The County shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

ARTICLE 42

QUIET ENJOYMENT

Landlord agrees that if the County timely pays the Rent and performs the terms and provisions hereunder, the County shall hold and enjoy the Premises during the Term, free of lawful claims by any Party acting by or through Landlord, subject to all other terms and provisions of this Lease.

ARTICLE 43

RULE AGAINST PERPETUITIES

In order to ensure the compliance of this Lease with any rule against perpetuities that may be in force in the State of Maryland, and without limiting or otherwise affecting Landlord's and the County's rights and obligations under this Lease, as stated in the other Articles hereof, Landlord and the County agree that, irrespective of the reasons therefor, in the event the County fails to take possession of the Premises and commence paying Rent hereunder within twenty (20) years after the date of execution of this Lease, then this Lease, and the obligations of the parties hereunder, shall be deemed to be null and void and of no further force and effect. Without affecting the specific timing requirements otherwise applicable thereto under this Lease, any and all renewal options granted to the County under this Lease must be exercised by the County, if at all, during the Term of this Lease. Nothing contained in this Article 43 shall be construed to limit either Party's right and remedies hereunder or otherwise with respect to the failure by the County to take possession of the Premises and/or commence paying Rent hereunder.

[SIGNATURE PAGES FOLLOW]




IN WITNESS WHEREOF, Landlord and the County have caused this Lease to be signed in their names personally or by their duly authorized representatives under seal and delivered as their act and deed, intending to be legally bound by its terms and provisions.

LANDLORD:

THE CHEVY CHASE LAND COMPANY
OF MONTGOMERY COUNTY, MARYLAND

Attest:


Secretary
(SEAL)

By  SR Vice Pres. [SEAL]
Name: Michele H. Cornwell
Title: SR V.P.

STATE OF MARYLAND)
COUNTY OF MONTGOMERY) ss:

I, Marco v. D. Pichuta, a Notary Public in and for the State of Maryland, do hereby certify that Michele H. Cornwell SRVP, who is personally well known to me as the person who executed the foregoing and annexed Lease, dated the 14th day of March, 2008, on behalf of the Landlord, to acknowledge the same, personally appeared before me in said jurisdiction and acknowledged said Lease to be the act and deed of The Chevy Chase Land Company of Montgomery County, Maryland, as Landlord, and delivered the same as such.

GIVEN under my hand and seal this 14th day of March, 2008.

Marco v. D. Pichuta
Notary Public

My commission expires: 8/13/2011



TENANT:

Attest:

MONTGOMERY COUNTY, MARYLAND,
a body corporate and politic and a political
subdivision of the State of Maryland, through the
Department of Public Works and Transportation

Deborah A. Richards
Secretary
(SEAL)

By Diane Schwartz Jones [SEAL]
Diane Schwartz Jones
Assistant Chief Administrative Officer

STATE OF MARYLAND)
COUNTY OF MONTGOMERY ss:

I, Deborah A. Richards, a Notary Public in and for the State of Maryland,
do hereby certify that Diane Schwartz Jones, Assistant Chief Administrative Officer, who is
personally well known to me to be the person who executed the foregoing and annexed Lease,
dated the 20th day of March, 2008, on behalf of the County, to acknowledge the
same, personally appeared before me in said jurisdiction and acknowledged said Lease to be the
act and deed of Montgomery County, Maryland, as the County, and delivered the same as such.

GIVEN under my hand and seal this 20th day of March, 2008.

Deborah A. Richards
Notary Public

My commission expires: 3-11-2012

APPROVED AS TO FORM AND LEGALITY: RECOMMENDED:

OFFICE OF THE COUNTY ATTORNEY

By: Gileen D. Brennan
Name:
Title:

By: Cynthia L. Brenneman
Cynthia L. Brenneman
Director
Office of Real Estate

Exhibit A-1

Building Base Improvements

Landlord is providing the County the improvements as set forth on the Exhibit A-2, the Preliminary Plans/Test Fit.

Structure	<ul style="list-style-type: none">•Minimum 4" concrete slab at 4,000 psi with loads at 80 psi live load, 20 psi partition load.•Slab shall be broom clean finish.•Structural bays are per drawing.•Structural slab shall be 3" (minimum) below finish grade. Concrete fill by the Landlord.•Expansion and control joints are not filled.
Building Exterior	<ul style="list-style-type: none">•Storefront by Landlord.•Canopy by Landlord.•Signage by the County subject to signage design criteria.
Building Finishes	<ul style="list-style-type: none">•Interior side of external wall to be exposed structural materials to a height extending to the bottom of the slab above.•Wall insulation and interior finish by the Landlord.•All concrete columns will be left to be finished by the Landlord.•Interior partition dividing tenants' premises to be metal stud framing to underside of roof/slab.•All gypsum wallboard installation shall be as per code by the Landlord.
Roofing System	N/A.
Loading Dock	<ul style="list-style-type: none">•Curbside loading.
Plumbing	<ul style="list-style-type: none">•Sanitary sewer lines stubbed per drawing. The County is responsible for all sanitary, water distributions from the stubbed location.•Sanitary sewer vent lines are located per drawing. The County is responsible for horizontal pipe to tap into vent lines.•On-site water supply mains combined for domestic and fire protection, shut-off valves and fire hydrants provided by Landlord. Interior domestic insulated waterline shall be installed in various locations in building (see drawings). Domestic water line shall be stubbed to the Premises. The County shall provide a water sub meter for the Premises as part of the Tenant Work.•Gas service will be provided to meter location on P-2 level. The County shall provide meters, gas pressure regulators and gas piping from the meters to the Premises. If the County requires gas service, the County shall tap into the gas line at the County's expense. The County shall be responsible for all coordination with Washington Gas.
Fire Protection	<ul style="list-style-type: none">•The Fire Alarm System shall be fully addressable. Landlord shall provide fire alarm control panel. All pull stations, smoke detectors, and electrical fire alarm equipment for tenant space shall be provided by the County. The County shall be required to have fire alarm system comply with all applicable codes (for high rise structure) and shall be required to match Landlord's equipment manufacturer. All fire alarm tie-ins to main fire alarm system shall be required to be performed by Landlord's fire alarm contractor.



- Landlord shall provide sprinkler riser per NFPA requirements.
- Sprinkler heads shall be installed in an upright position, quantity per code for an “open shell” area. All modifications and specific fire protection for the County shall be by the County, and included in the Tenant Work. The County shall be responsible for any changes to sprinkler heads or piping due to tenant layout, mechanical ductwork, or other obstruction occurring during tenant fit-out.
- All modifications and specific fire protection equipment required for the County shall be installed per code and paid for by the County.

HVAC

- Landlord to provide heating, ventilation and air conditioning system suitable for 1,500 square foot retail/office space, including a/c unit, condenser water line, supply and return ductwork, soffit grills and thermostat. System shall be installed per code and initial air-balanced by Landlord.

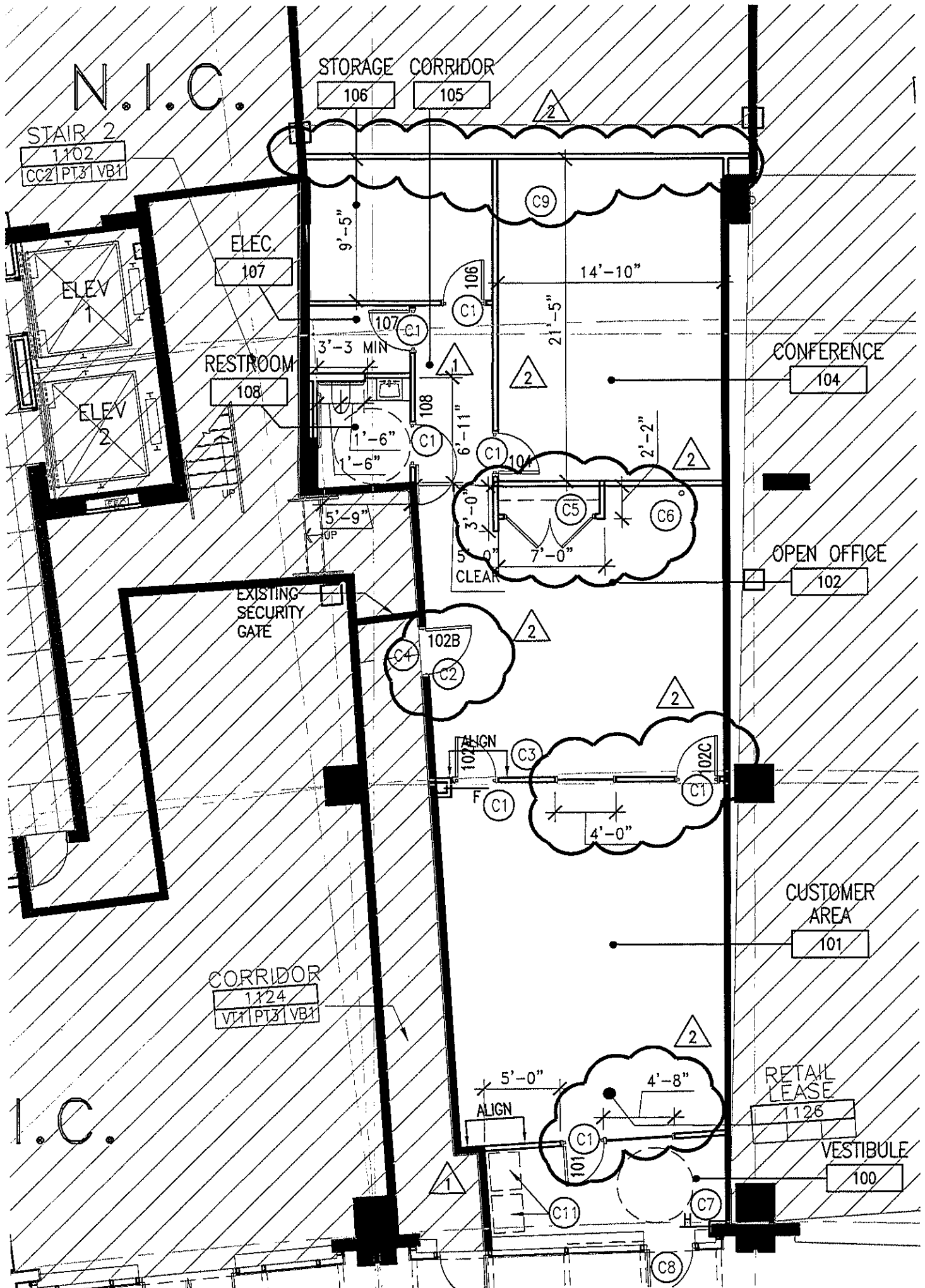
Electrical

- Distribution panel with 200 Amp 480 volt capacity for retail tenants.
- Landlord will provide power and data outlets in the Premises per Preliminary Plans/Test Fit.
- the County shall install electrical meter for service as part of the County’s Work in accordance with Landlord’s specification.



Exhibit A-2

Pre-occupancy Tenant Work Plan



CHEVY CHASE CENTER RETAIL LEASE

Exhibit B

RULES OF THE SITE FOR TENANT WORK

The following rules and regulations (Rules of the Site) govern leasehold improvements at the Building (Site) by any contractor or subcontractor (Tenant Contractor) employed by the County to supply, construct or install tenant improvements (the Work). These Rules of the Site have been established as guidelines within which the Tenant Contractor is to operate and are to be uniformly administered by the Landlord. For purposes of the Rules of the Site the Base Building Contractor is responsible for the base building until Base Building Substantial Completion. The Landlord or its designated Property Manager shall then act as the representative of the Landlord.

1. Permits

a) All permits and licenses necessary for the proper execution of the Work shall be secured and paid for by the Tenant Contractor prior to commencement of the Work, and shall be visibly posted within the Premises area requiring tenant improvements construction work (the Work Area). A copy of each document shall be provided to the Landlord.

2. Insurance Certificates

a) Prior to commencement of the Work, the Tenant Contractor shall furnish to Landlord evidence of insurance coverage required under the Lease between Landlord and the County.

3. Equal Opportunity Employment

a) Tenant Contractor and his subcontractors shall comply with all Federal, State and Local laws and regulations regarding Equal Employment Opportunities.

4. Workman Conduct

a) Tenant Contractor shall be responsible for all actions of his subcontractors, employees, agents and visitors on the Site. No loud or abusive language or actions, or other inappropriate behavior, will be allowed. Playing of music, which can be heard outside of Work Area, will not be allowed.

b) It will be the responsibility of the Tenant Contractor to enforce this regulation with immediate corrective measures on a day-to-day basis and/or in response to specific complaints from other tenants or from the Landlord. Tenant Contractor will promptly remove from the Site any employee deemed abusive or inappropriate upon Landlord's written request.

5. Site Safety

a) Tenant Contractor will comply with all Local, State and Federal safety and health regulations (including OSHA) that pertain to the Work in the State of Maryland, County of Montgomery.

b) Any accidents or injuries occurring on the Site must be reported in writing to Landlord as soon as time permits following such incident, but no later than 24 hours after each occurrence. Tenant Contractor, his subcontractors, employees, agents, and all visitors are required to wear a safety helmet and other required safety equipment while in the Work Area.

c) Tenant Contractor shall provide for the safety and protection of Tenant Contractor's own Work, including the covering of any holes, shaft openings, maintenance of safety handrails, etc. so as to avoid all safety hazards. When safety rails must be removed to



facilitate the Work, they shall be replaced as soon as work necessitating removal is complete and at the close of work each day.

d) Open fires and burning of rubbish is strictly prohibited.

e) Tenant Contractor shall provide all fire extinguishers required for the Work as required by State of Maryland, County of Montgomery authorities.

f) No welding or cutting torch is to be used in the Building without the prior approval of Landlord. If such approval is granted by Landlord, the Tenant Contractor must have fire extinguisher present in the Work Area and maintain a fire watch at all times when the equipment is being used. Additionally, the Tenant Contractor may be required to perform any such work after-hours because of fumes, which may be associated with such welding/cutting torch usage.

g) No varnishes/lacquers are to be sprayed in the Building without the prior approval of Landlord. Because of the combustible nature, this type of work should normally be done off-site. Additionally, the Tenant Contractor may be required to perform any such work after-hours because of fumes. Anyone found spraying these compounds in or around the Building without the approval of the Landlord would be required to immediately cease such work and remove all materials from the Site.

h) All flammable materials or debris or other dangerous materials must be removed from the Work Area and Site daily. No flammable materials or debris shall remain in the Building overnight.

i) Tenant Contractor shall immediately correct any condition that Landlord advises in writing as creating a potential safety hazard. Should Tenant Contractor not correct such condition within a reasonable period of time, Landlord will make such corrective work at the Tenant Contractor's sole cost and expense.

6. Site Security

a) All security for the Work, including security of the Tenant Contractor's own materials and equipment, shall be provided by and be the responsibility of the County.

b) All Tenant Contractor personnel (and personnel of subcontractors) and deliveries must sign-in at such location(s) as designated by the Base Building Contractor or Property Manager prior to admittance to the Site at all times. A log of onsite personnel shall always be available. All Tenant Contractor personnel (and personnel of subcontractors) shall have a valid identification.

c) Any acts of vandalism associated with the Work shall be the Tenant Contractor's responsibility to pay the cost and/or replacement (including insurance deductibles).

d) All work to be performed after-hours must be coordinated with the Base Building Contractor or Property Manager no later than 48 hours in advance.

e) Tenant Contractor shall notify Landlord of all major security breaches within 24 hours of incident.

f) Prior to start of construction, Tenant Contractor shall provide to Landlord and Base Building Contractor a security plan.

7. Work Area and Field Office

a) Prior to commencement of any of the Work, Tenant Contractor shall erect construction barriers acceptable to Landlord between the Work Area and any public areas or other tenant areas in the Building, and will keep the Work Area closed from public view until completion and occupancy by the County. The Tenant Contractor shall perform all construction activities and shall store all materials inside the Work Area. All tools, equipment, material and/or temporary facilities necessary for the Work are to be within the Work Area.



b) The Landlord makes no guarantee that Tenant Contractor will be able to use the building sanitation facilities for the workers. Tenant Contractor is responsible for providing the temporary sanitation facilities for its workers. Tenant Contractor shall coordinate with Landlord and Base Building Contractor on acceptable location for facilities.

c) The Tenant Contractor shall provide Landlord and Base Building Contractor (or Property Manager) with keys to all locks installed on or in the Work Area and shall provide access to the Work Area at all times.

d) The Tenant Contractor, its employees, agents and visitors, when in the Building, shall restrict themselves to the Work Area.

e) Tenant Contractor may provide and maintain a temporary field office and telephone for his exclusive use as required which must be contained within the Work Area, and shall be removed promptly at the completion of the Work.

f) Vehicle parking for Tenant Contractor employees and all construction personnel is not guaranteed. Offsite parking should be assumed for all construction personnel. Any onsite parking shall receive the prior approval of the Landlord. There is no parking in Chevy Chase Village.

8. Project Signs and Directory

a) Tenant Contractor, or its subcontractors, shall not be permitted any identifying graphics or signage on the Site without the prior written approval of the Landlord. No cameras shall be permitted on site, except as outlined in any contract, without the prior approval of the Landlord.

b) Prior to commencement of the Work, Tenant Contractor shall furnish Base Building Contractor and Landlord with a list of subcontractors, sub-subcontractors and suppliers. The list shall include emergency contact information.

9. Site Inspection and Acceptance

a) Tenant Contractor will not be allowed to occupy or use the Work Area until the Landlord gives permission. Said permission will not be unreasonably withheld provided that Landlord receives all required insurance, permits and other required documents.

b) Prior to commencement of any of the Work, the County's representative and Tenant Contractor shall conduct a joint inspection of the Work Area with the Landlord and the Base Building Contractor and issue a list of any existing damage to the Premises. Landlord will promptly repair such damage.

c) The Tenant Contractor shall carefully examine the base building plans and specifications, including all mechanical, electrical, plumbing, structural, architectural, civil and other special drawings, general conditions or specifications; and shall visit the Site and Work Area to fully inform itself as to all existing conditions and limitations. The Landlord makes no representations with regard to the accuracy of documents and drawings, nor does Landlord assume responsibility for potential conflicts that may surface related to existing conditions.

d) Tenant Contractor shall be responsible to field verify existing conditions. Tenant Contractor shall be solely responsible for the layout and engineering of all Work.

e) Prior to construction start by any Tenant Contractor, the County and the Tenant Contractor are required to have a pre-construction meeting at the Site with Landlord and/or its designate and the Base Building Contractor.

10. Protection of Existing Work

a) It is the Tenant Contractor's responsibility to protect and maintain all existing base building finishes and Work. All base building work removed and/or damaged by Tenant Contractor must be reported to Landlord as soon as possible (that is, within 24 hours or



less) and shall be promptly replaced and/or repaired by Tenant Contractor at Tenant Contractor's cost and expense. If Tenant Contractor fails to promptly replace and/or repair any such base building work, Landlord may cause the same to be replaced and/or repaired at the cost and expense of Tenant Contractor.

b) No cutting or patching of existing work shall be permitted without prior written consent of the Landlord. Request for permission to do cutting, drilling or chipping shall include explicit details and description of work, the proposed schedule, and shall not under any circumstances diminish the structural integrity or functional capabilities of the Building components or systems. Appropriate techniques such as x-ray investigation must be approved by the Landlord and utilized before any slab penetration work is begun. Core drill locations (identified specifically by Tenant Contractor on base building structural drawings) are to be submitted and approved in advance by the Landlord and the base building structural engineer. Approved core drill locations must be coordinated with the Base Building Contractor and the Property Manager prior to commencement of this work. Costs associated with submittals, reviews, approvals and coordination will be the responsibility of the Tenant Contractor.

c) All work affecting or pertaining to the roof, including any roof penetrations or setting of mechanical equipment or installation of structural supports, rubbing and flashing on or to the roof, shall be subject to Landlord's prior written consent and if consented to, shall be performed by Landlord's designated roofing subcontractor at the County's expense.

d) Tenant Contractor is responsible for protection of his work and all existing work in connection with any modifications to the Building mechanical and plumbing system and shall contain and remove any drain down, leakage and water used for testing.

e) Temporary nails and power driven studs shall not be used on any concrete floor surface not subsequently concealed by partitions and walls. Concrete screws, sleeve anchors or bolts shall otherwise be used and properly removed.

f) Tenant Contractor will provide "walk-off mats" at each entrance to the Work Area to prevent tracking of dirt to public areas.

g) All fan-powered terminal-unit temporary filters shall remain in place and be maintained by the Tenant Contractor until completion of the Work at which time such temporary filters will be removed at Tenant Contractor's cost.

h) The Tenant Contractor will notify the Landlord and the Base Building Contractor at least 72 hours prior to tying into any Building system.

i) The Landlord, Base Building Contractor or Property Manager may restrict smoking on-site at any time. No smoking may occur in the Building following completion of base building finishes.

j) Tenant Contractor will be required to conform to the Base Building Contractor's rules or rules imposed by the Landlord, as it pertains to their subcontractors when working within or moving through the base building areas of the Building.

k) The Site shall be kept clean and orderly. All food trash must be removed from the site on a daily basis. General trash shall be removed with enough frequency to maintain a clean and orderly site.

11. Conflicts Among Documents

a) In the event conflicts occur between provisions stated herein and other provisions of the Work, the following documents will govern the order listed below:

- (i) Lease Agreement between Landlord and the County;
- (ii) Rules of the Site for Tenant Contractor's Work, and



(iii) Other Documents.

12. Work Approval

a) Owner shall have approval, per Lease Agreement, of all Work prior to start of construction.

b) All structural modifications and concentrated loading of materials must have prior written approval of Landlord and base building structural engineer. The loads imposed by the Work at the Premises (including live and dead loads) shall not exceed the allowable load capacity of the existing structural systems and components thereof.

c) All mechanical modifications, or supplemental units, involved in the Work must have prior approval of the Landlord and Landlord's consulting engineer, and must be coordinated in advance of the start of the Work with the Property Manager and the Base Building Contractor.

d) All costs associated with such modifications, including but not limited to submittal, review, approval and coordination requirements, shall be the responsibility of the Tenant Contractor.

e) The Premises shall be separately metered for utilities. All metering shall be done at the County's expense.

f) Landlord at its expense shall provide sprinkler lines and heads as required for Landlord's Work. All sprinkler installation and modification by the County shall be approved in writing by Landlord and shall be submitted to Landlords' insurance underwriter for approval prior to commencement of the Work. Upon completion of the Work, all testing certificates and material specifications shall be filed with all agencies prior to occupancy of the Premises. Any damage to Landlord's sprinkler system by the County shall be repaired by Landlord at the County's expense.

g) All rooftop equipment locations, including piping, ducts, etc. must have prior approval of Landlord.

h) The County's security devices shall be approved by Landlord as part of Working Drawing review. The size, location and design of all security devices shall be shown on the Working Drawings submitted to Landlord for approval.

i) Landlord specifically reserves the right to approve any Tenant Contractor. Landlord hereby approves the Tenant Contractor used by the County for performance of the tenant work for the Montgomery County Liquor Store lease at the Center.

j) For Work where monthly payment requisitions by the Tenant Contractor shall be provided to Landlord, Tenant Contractor must provide monthly payment requisitions and appropriate back-up in form accepted and approved by Landlord.

13. Working Hours

a) The Work can be performed at any time, subject to the Lease, the Neighborhood Agreement with the Chevy Chase Village, and all applicable laws, ordinances and regulations, including without limitation, those related to noise control.

b) After hours work may be required for certain construction activities and for deliveries of materials or equipment requiring extended use of the Building elevators, and must be scheduled with the Base Building Contractor or the Property Manager at least 48 hours in advance. "After hours" is defined as time outside of Base Building Contractor's normal working hours.

c) Any access into any adjacent tenant space, either to side or above/below the Work Area must be coordinated with the Base Building Contractor or the Property Manager at least 48 hours in advance.

d) The Tenant Contractor will be responsible for any overtime compensation payable to Landlord's building engineers, the Property Manager or the Base Building Contractor in connection to overtime work that requires additional personnel onsite, or the operation of HVAC or elevator.

14. Code Compliance

a) Tenant Contractor shall comply with all Local, State and Federal regulations pertaining to the Work as performed or affected by the Work on the Site.

b) Tenant Contractor must properly fire-stop any wall or floor penetration performed as part of the Work, so as to maintain the existing fire rating, including penetration of the floor sleeve sealant system within the telephone closets necessitated by the installation of temporary or permanent telephone service.

c) Tenant Contractor will also be required to comply with any neighborhood or Agency Agreements that Landlord may be obligated under of which the County has knowledge of.

d) Landlord's fire insurance underwriter shall have the right to inspect the fire protection system installed by the County. Any improvements, repairs or maintenance required by insurance shall be the County's sole responsibility.

15. Job Meetings and Representation

a) The Landlord will assign a representative for each tenant project. All references to coordination with the Landlord in these rules shall mean coordination with the designated representative.

16. County Contacts

a) Upon commencement of the Work, Tenant Contractor shall furnish to Landlord a list of employees, all subcontractors' key personnel and the project representative including home telephone and portable telephone numbers.

17. Landlord Contact

Landlord's representative is:

David M. Smith
Vice President
The Chevy Chase Land Company
8401 Connecticut Avenue, PH
Chevy Chase, MD 20815
301-654-2690

18. Lien Releases

a) During the entire course of the Work, the Tenant Contractor is required to execute an Interim Lien Release in the exact form as approved in advance by Landlord. In conjunction with the Tenant Contractor's final payments to its subcontractors, all major subcontractors (determined by a final subcontract amount in excess of \$10,000) are required to execute a Final Lien Release in the exact form as approved in advance by Landlord.

19. Posting Rules and Regulations

a) A copy of these Rules of the Site for Tenant Work, acknowledged and accepted by Tenant Contractor, must be posted in the Work Area in a location clearly visible to all workers. It is the Tenant Contractor's responsibility to instruct its employees and all subcontractors to familiarize themselves with these rules and to enforce compliance with these rules at all times.

20. Non-Compliance



a) Non-compliance with these regulations will result in the possible barring of the Tenant Contractor or subcontractors from current or future activities at the Site. Any cost incurred by Landlord in cleaning the Site or Work Area or repairing damage resulting from Tenant Contractor's activities (including the activities of any of Tenant Contractor's employees, agent or visitors) will be billed to the Tenant Contractor or set off against future payments to the County under the Lease.

21. Indemnification

Tenant Contractor will execute an indemnification whereby it agrees to and shall indemnify and hold the Landlord and Base Building Contractor wholly harmless from losses, damages, expenses, costs (including court costs and reasonable attorney's fees), claims, demands, injuries, deaths, or suits by any person or persons, arising out of or resulting from any error, omission, or negligent or wrongful act by the Tenant Contractor or by any of its agents, consultants, servants, or employees.

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Exhibit C

Sign Exhibit

The County's storefront sign shall be subject to Landlord's sign criteria (the "Sign Criteria") which Landlord has furnished or will furnish to the County. The Sign Criteria may be part of the overall store Design Criteria Landlord has furnished, or will furnish, to the County, or it may be separate therefrom. Without limitation, the County's storefront sign may contain only the County's approved trade name and the County Seal, and, without limitation, may not include any slogans or mottos.

All references in the Lease to Exhibit C or to sign criteria shall be deemed to mean the Sign Criteria. Without limitation to anything in the Lease or the Sign Criteria, all aspects of the County's storefront sign are subject to Landlord's advance written approval. Landlord hereby approves the signage described and depicted on Exhibit S-1 attached to this Exhibit C and made a part hereof, if any.

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CHEVY CHASE CENTER RETAIL LEASE

Exhibit D

Rules

(1) **Common Areas.** The County shall not use the Common Areas, including areas adjacent to the Premises, for any purpose other than ingress and egress, and any such use thereof shall be subject to the other provisions of this Lease, including these Rules. Without limiting the generality of the foregoing, the County shall not use the Common Areas to canvass, solicit business or information from, or distribute any article or material to, other tenants, occupants or invitees of the Center. The County shall not allow anything to remain in any passageway, sidewalk, court, corridor, stairway, entrance, exit, elevator, shipping area, or other area outside the Premises. Janitorial closets, utility closets, telephone closets, broom closets, electrical closets, storage closets, and other such closets rooms and areas shall be used only for the purposes and in the manner designated by Landlord, and may not be used by the County, or its contractors, agents, employees, or other parties without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed.

(2) **Deliveries.** Furniture, inventory and all other deliveries may be brought into the Center only at times and in the manner designated by Landlord, in compliance with all Laws, and always at the County's sole risk. Landlord may inspect items brought into the Center or Premises with respect to weight or dangerous nature or compliance with this Lease or applicable Laws. The County's use of any freight elevators, loading and service areas at the Center shall be subject to scheduling by Landlord. The County shall not take or permit to be taken in or out of other entrances or elevators of the Center, any item normally taken, or which Landlord otherwise requires to be taken, in or out through service doors or on freight elevators. The County shall move all inventory, supplies, furniture, equipment and other items as soon as received directly to the Premises. Any hand-carts used at the Center shall have rubber wheels and side guards and no other material handling equipment may be brought upon the Center except as Landlord shall approve in writing in advance.

(3) **Trash.** All garbage, refuse, trash and other waste shall be kept in the kind of container, placed in the areas, and prepared for collection in the manner and at the times and places specified by Landlord, subject to Article 26 respecting Hazardous Materials. Landlord reserves the right to require that the County participate in any recycling program designated by Landlord.

(4) **[Intentionally Omitted].**

(5) **Pest Control.** The County shall use, at the County's cost, such pest and rodent extermination contractor as Landlord may reasonably direct and at such intervals as Landlord may reasonably require. The County shall provide Landlord with evidence of the County's compliance with this provision within five (5) days after landlord's written request.

(6) **Signs and Display Windows.** The County shall not place any sign or other thing of any kind outside the Premises (including without limitation, exterior walls and roof), or on the interior or exterior surfaces of glass panes or doors, except such single sign as Landlord shall expressly approve in writing for or in connection with the County's storefront. Within the Premises, the County shall not: (i) install any sign that advertises any product, (ii) install any sign within 24 inches of any window, or (iii) install any sign that is visible from outside the Premises or that is illuminated, without Landlord's prior written approval. If Landlord approves or requires illuminated signs, the County shall keep the same illuminated each day of the Term during the hours designated by Landlord from time to time. All the County's signs shall be professionally designed, prepared and installed and in good taste so as not to detract from the general appearance of the Premises or the Center and shall comply with the sign criteria attached hereto as Exhibit C or otherwise developed by Landlord from time to time. After the initial installation of the County's storefront sign as approved in writing by Landlord in accordance with these provisions, Landlord reserves the right to require from time to time that the County change or replace such sign in order to comply with any new sign criteria developed by Landlord, at Landlord's expense. The term "sign" in this Rule shall mean any sign, placard,

picture, name, direction, lettering, insignia or trademark, advertising material, advertising display, awning or other such item, except that the County's storefront sign shall be an actual sign. Blinds, shades, drapes or other such items shall not be placed in or about the windows in the Premises except to the extent, if any, that the character, shape, design, color, material and make thereof is first approved by Landlord in writing.

(7) **Display of Merchandise.** The County shall not place or maintain any permanent or temporary fixture or item or display any merchandise: (i) beyond the storefront, or (ii) anywhere inside the Premises within six (6) feet of any entrance to the Premises (except that for any recessed entry of the Premises, the County shall not so place or maintain fixtures within three (3) feet of such entrance). All displays of merchandise shall be professional.

(8) **Plumbing Equipment.** The toilet rooms, urinals, wash bowls, drains and sewers and other plumbing fixtures, equipment and lines shall not be misused or used for any purpose other than that for which they were constructed, and the County shall properly install, maintain, clean, repair and replace adequate grease traps.

(9) **Roof: Awnings and Projections.** The County shall not install any aerial, antennae, satellite dish or any other device on the roof, exterior walls or Common Areas of the Center. The County may install and have access to rooftop HVAC equipment only to the extent approved or required by Landlord from time to time in connection with the County's obligations under Articles 10 and 11 of this Lease. No awning or other projection shall be attached by or for the County to the exterior walls of the Premises or the building of which it is a part.

(10) **Overloading Floors.** The County shall not overload any floor or part thereof in the Premises or Center including any public corridors or elevators therein, and Landlord may direct and control the location of safes, vaults and all other heavy articles and require supplementary supports of such material and dimensions as Landlord may deem necessary to properly distribute the weight at the County's expense (including expenses for structural review and engineering).

(11) **Locks and Keys.** Upon termination of the Lease or the County's right to possession, the County shall: (i) return to Landlord all keys, parking stickers or key cards, and in the event of loss of any such items shall pay Landlord the actual costs therefor, and (ii) advise Landlord as to the combination of any vaults or locks that Landlord permits to remain in the Premises.

(12) **Unattended Premises.** Before leaving the Premises unattended, the County shall close and securely lock all doors or other means of entry to the Premises and shut off all lights (except signs required to be illuminated hereunder), water faucets and other utilities in the Premises (except heat to the extent necessary to prevent the freezing or bursting of pipes). This provision shall not imply that the County may leave the Premises unattended in violation of the operating requirements set forth elsewhere in this Lease.

(13) **Energy Conservation.** Subject to Rule (6) concerning illumination, the County shall not waste electricity, water, heat or air conditioning, or other utilities or services, and agrees to cooperate fully with Landlord and comply with any Laws to assure the most effective and energy efficient operation of the Center.

(14) **Food, Beverages, Game and Vending Machines.** Except to the extent expressly permitted under Article 1 of this Lease, the County shall not: (i) use the Premises for the manufacture, preparation, display, sale, barter, trade, gift or service of food or beverages, including without limitation, intoxicating liquors, or (ii) install, operate or use any video, electronic or pinball game or machine, or any coin or token operated vending machine or device to provide products, merchandise, food, beverages, candy, cigarettes or other commodities or services including, but not limited to, pay telephones, pay lockers, pay toilets, scales, and amusement devices; provided, however, that the County may install vending machines for the sale of non-alcoholic beverages, food, and candy in an area not visible from the sale area or exterior of the Premises for the exclusive use of the County's employees. Notwithstanding the foregoing provisions of this Rule 14, the County may install an electronic vending machine within the Premises to sell prepaid forms of transit currency.

(15) **Going-Out-Of-Business Sales and Auctions.** The County shall not use, or permit any other Party to use, the Premises for any distress, fire, bankruptcy, close-out, "lost our lease" or going-out-of-business sale or auction.

(16) **Labor Relations.** The County shall conduct its labor relations and relations with employees so as to avoid strikes, picketing, and boycotts of, on or about the Premises or Center. If any employees strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are established, conducted or carried out against the County, its employees, agents, contractors, or subcontractors in or about the Premises or Center, the County shall immediately close the Premises and remove or cause to be removed all such employees, agents, contractors, and subcontractors until the dispute has been settled.

(17) **Landlord's Tradename and Trademarks.** No symbol, design, name, mark or insignia adopted by Landlord for the Center or picture or likeness of the Center shall be used by the County without the prior written consent of Landlord, except as provided in Article 9 of this Lease.

(18) **Prohibited Activities.** The County shall not: (i) use strobe or flashing lights in or on the Premises or in any signs therefor, (ii) use, sell or distribute any handbills, balloons or other such articles in the Premises (or other areas of the Center), (iii) operate any loudspeaker, television set, phonograph, radio, CD player or other musical or sound producing instrument or device so as to be heard outside the Premises, (iv) operate any electrical or other device which interferes with or impairs radio, television, microwave, or other broadcasting or reception from or in the Center or elsewhere, (v) bring or permit any dog (except in the capacity of assisting the handicapped) or other animal, fish or bird in the Center, (vi) make or permit objectionable noise, vibration or odor to emanate from the Premises or any equipment serving the same, (vii) do or permit anything in or about the Premises that is unlawful, immoral, obscene, pornographic, or which tends to create or maintain a nuisance or do any act tending to injure the reputation of the Center, (viii) use or permit upon the Premises anything that violates the certificates of occupancy issued for the Premises or the Center, or causes a cancellation of Landlord's insurance policies or increases Landlord's insurance premiums (and the County shall comply with all requirements (of which the County has notice) of Landlord's insurance carriers, the American Insurance Association, and any board of fire underwriters), (ix) use the Premises for any purpose, or permit upon the Premises anything, that may be dangerous to parties or property (including but not limited to flammable oils, fluids, paints, chemical, firearms or any explosive articles or materials), nor (x) do or permit anything to be done upon the Premises in any way tending to disturb, bother or annoy any other tenant at the Center or the occupants of neighboring property.

(19) **Parking.** The County and the County's employees shall park their cars only in those portions of the parking area designated by Landlord for tenant and employee parking and shall use such areas only for parking cars (or at Landlord's option, Landlord may require that any or all such employees park off-site). All parking spaces used by the County shall be at the monthly fee established by Landlord from time to time. The County shall furnish Landlord with a list containing the description and automobile license numbers (and State of issuance) of the cars of the County and its employees within ten (10) days of any request by Landlord, and shall thereafter advise Landlord of any changes, additions or deletions to such list. Landlord reserves the right to: (i) adopt additional requirements pertaining to parking, including without limitation, a parking system with charges favoring carpooling for tenants and their employees, and any other parking system by validation, metering or otherwise, (ii) assign specific spaces, and reserve spaces for small cars, handicapped individuals, and other tenants, customers of tenants or other parties (and the County and its employees and visitors shall not park in any such assigned or reserved spaces) and (iii) restrict or prohibit full size vans and other large vehicles. In case of any violation of these provisions or any applicable Laws, Landlord may: (a) refuse to permit the violator to park, and remove the vehicle owned or driven by the violator from the Center without liability whatsoever, at such violator's risk and expense and/or (b) charge the County such reasonable rates as Landlord may from time to time establish for such violations, which shall be at least \$50.00 per day for each vehicle that is parked in violation of these Rules. These provisions shall be in addition to any other remedies available to Landlord under this Lease or otherwise.

(20) **Responsibility for Compliance.** The County shall be responsible for ensuring compliance with these Rules, as they may be amended, by the County's employees and as applicable, by the County's agents, contractors, subcontractors and suppliers. The County shall use reasonable efforts for ensuring compliance with these Rules, as they may be amended, by the County's invited guests.

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CHEVY CHASE CENTER RETAIL LEASE

EXHIBIT E

CONFIRMATION OF LEASE TERM MEMORANDUM

THIS MEMORANDUM is made as of the ____ day of _____, 200__, between THE CHEVY CHASE LAND COMPANY OF MONTGOMERY COUNTY, MARYLAND, a Maryland corporation ("Landlord") and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland, through the Department of Public Works and Transportation ("County"), who entered into a lease dated for reference purposes as of _____, 2008, covering certain premises located at Chevy Chase Center, 17 Wisconsin Circle, Chevy Chase, Maryland 20815. All capitalized terms, if not defined herein, shall be defined as they are defined in the Lease.

1. The Parties to this Memorandum hereby agree that the Commencement Date is _____, 2008, and the Opening Date is _____, 2008.
2. The County hereby confirms the following:
 - (a) That it has accepted possession and begun to occupy the Premises pursuant to the terms of the Lease;
 - (b) That there are no offsets or credits against rentals;
 - (c) That there is no default by Landlord or the County under the Lease and the Lease is in full force and effect.
3. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the Parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, the parties hereto have executed this Memorandum, under Seal, the day and year first above written.

WITNESS:

LANDLORD:

THE CHEVY CHASE LAND COMPANY OF
MONTGOMERY COUNTY, MARYLAND,
a Maryland corporation

By _____

Name:

Title:

TENANT:

WITNESS:

MONTGOMERY COUNTY, MARYLAND,
a body corporate and politic and political
subdivision of the State of Maryland, through the
Department of Public Works and Transportation

By _____

Name:

Title:



CHEVY CHASE CENTER RETAIL LEASE

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

To: _____, its successors and/or assigns ("**Lender**")
_____, its successors and/or assigns ("**Purchaser**")

Re: Property: Chevy Chase Center, Chevy Chase, Maryland ("**Property**")

Lease Date: _____

Between The Chevy Chase Land Company of Montgomery County, Maryland ("**Landlord**") and
Montgomery County, Maryland ("**the County**")

Square Footage Leased: 1,504

Suite No.: Retail Space #1133 ("**Premises**")

Landlord has requested that the County provide Landlord with an estoppel certificate as permitted from time to time under the terms of the above-referenced lease ("**Lease**"). The County hereby acknowledges the following:

- (1) The Lease and all amendments to the Lease attached as Exhibit "A" is a true, correct, and complete copy of the Lease, as amended; is in full force and effect; and has not been modified, supplemented, or amended in any way other than in writing attached as part of Exhibit A. The Lease as amended in Exhibit A represents the entire agreement between the Landlord and the County as to the Premises or any part of the Premises, and there are no other agreements or representations of any kind between Landlord and the County with respect thereto. Without limiting the foregoing, the County does not have any rights of first refusal for additional space, options to increase or relocate its space or options to purchase the Premises or any interest therein, other than as may be set forth in the Lease.
- (2) The Lease Term commenced on _____, and terminates on _____. The Lease provides for successive renewal option(s) of five (5) years each, so long as the current site plan is in effect. The County (has/has not) exercised its renewal option as of the date that this Certificate is issued by the County.
- (3) All rent and other charges due under the Lease have been paid to date. The County has no claim for overpayment of rent for any period.
- (4) The County paid no security deposit under the Lease.
- (5) **[IF TRUE: the County currently occupies the Premises for the Permitted Use (as defined in the Lease)].**
- (6) All work to be completed by Landlord for the County prior to occupancy has been performed as required and has been accepted by the County (if not, specify what punch list items remain to be completed); and any payments, free rent, or other payments, credits, allowances or abatements required to be given by Landlord up to the date of issuance of this Certificate have been credited or paid to the County. To the best of the County's knowledge, all obligations of Landlord to be performed or complied with by Landlord through the date hereof have been fully performed and complied with, and there exists no default by Landlord in the performance of its obligations under the Lease.
- (7) As of the date that this Certificate is issued by the County, the County has no knowledge of any default by Landlord other than those specified in Exhibit B, attached. As of the date that this Certificate is issued by the County, the County has no knowledge of any offset, defense, deduction or claim against Landlord other than those listed in Exhibit B, attached.
- (8) Tenant is not in Default under the Lease.

- (9) the County has not assigned the Lease or sublet all or any portion of the Premises, except as listed in Exhibit C, attached. Any sublease or assignment documents are attached as part of Exhibit C.
- (10) Any notices to be sent to the County should be sent in the form required in the Lease to:

Montgomery County, Maryland
Department of Public Works and Transportation
Office of Real Estate
101 Monroe Street
10th Floor
Rockville, MD 20850
Attn: Director

With a copy that does not constitute notice to:

Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: County Attorney

- (11) The County agrees to promptly provide the Lender at its offices at _____, Attention: _____, with copies of any notices of default given by or received by the County with respect to the Lease and/or the Premises.

TENANT:

MONTGOMERY COUNTY MARYLAND

By _____ [SEAL]

Name:

Title:

Date: _____



CHEVY CHASE CENTER RETAIL LEASE

EXHIBIT G

SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT

This Subordination, Non-Disturbance and Attornment Agreement (the "Agreement") made this ____ day of _____, 2008 among _____, a _____ corporation (the "Lender"), _____, a _____ corporation ("Landlord"), and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (the "Tenant"), (the Lender, the Landlord, and the Tenant together the "Parties").

RECITALS

A. Landlord and Tenant have entered into a certain lease agreement dated _____, 2008 [and amended _____, 20__] (the "Lease") for the premises consisting of _____ square feet, more or less (the "Leased Premises"). The Leased Premises are part of the property located in Montgomery County, Maryland known as Parcel ____ on Tax Map _____, commonly known as [street address], and more particularly described on **EXHIBIT A**, attached and incorporated as if fully set forth (the "Property").

B. Lender and the Landlord have represented to the Tenant that the Lender will make a loan to the Landlord in the principal amount of _____ AND 00/100s DOLLARS (\$ _____) (the "Loan"), secured by a mortgage or deed of trust which will be recorded among the Land Records for Montgomery County, Maryland, and which may be amended or modified from time to time (the "Mortgage") and an assignment of leases and rents from the Landlord to the Lender, which covers the Property, including the Leased Premises.

C. Tenant has agreed that the Lease shall be subject to and subordinate to the Mortgage held by the Lender, provided Tenant is assured of continued occupancy of the Premises under the Terms of the Lease.

NOW, THEREFORE, for and in consideration of the mutual covenants made among the Parties in this Agreement, and the payment of the sum of \$10.00 by the Lender to the Tenant, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

1. Subordination and Consent. The Parties agree that the Lease is and shall continue to be subject and subordinate to the Mortgage and to any renewals, modifications, consolidations, replacements and extensions of the Mortgage and to all advances made under the Mortgage. Tenant acknowledges that Landlord will execute and deliver to the Lender an assignment of the Lease as security for the Loan, and Tenant expressly consents to the assignment. Tenant agrees that if there is a default by the Landlord in performance of the terms of the Loan that Lender may, at Lender's option, demand in writing sent to the Tenant by first class mail, postage prepaid and certified mail to the address provided below, that all payments of rent and additional rent due under the Lease must be paid directly by Tenant to the Lender at the address specified below or as otherwise specified in writing by the Lender to the Tenant. Tenant agrees that not more than 30 days after receiving the Lender's written demand for payment of rent directly to the Lender that Tenant will remit all payments of rent and additional rent due under the Lease to the Lender at the address provided by the Lender in writing. THE PARTIES AGREE THAT PAYMENTS MADE TO LENDER IN ACCORDANCE WITH THE REQUIREMENTS OF THE LEASE AND THIS AGREEMENT WILL CONSTITUTE PERFORMANCE OF THE TENANT'S PAYMENT OBLIGATIONS UNDER THE LEASE, AND THAT NEITHER THE LANDLORD NOR THE LENDER WILL HAVE ANY CLAIMS AGAINST THE COUNTY FOR ANY RENT, ADDITIONAL RENT, OR OTHER PAYMENTS MADE BY TENANT IN CONFORMANCE WITH THE TERMS OF THE LEASE AND THIS AGREEMENT AT THE WRITTEN DIRECTION OF THE LENDER. The Landlord and the Lender fully indemnify the Tenant for any such payments made under this Paragraph, and the Lender will provide a defense to any claim for payment made by the Landlord or any party claiming through the Landlord for payments made by Tenant to the Lender under this Agreement.



2. Nondisturbance. The Lender agrees with the Tenant that, in the event that the Lender becomes the fee simple owner of the Property, so long as Tenant complies with and performs all of Tenant's material obligations under the Lease, (a) the Lease will remain in full force and effect as a direct Lease between the Lender, including the Lender's successors and assigns, and the Tenant, subject to all of the terms, covenants and conditions of the Lease, for the balance of the Lease Term, and that Lender and Lender's successors and assigns will not disturb Tenant's possession of the Leased Premises, and (b) the Lender and the Lender's successors and assigns will recognize Tenant as the tenant of the Leased Premises for the remainder of the Lease Term in accordance with the provisions of the Lease. THE PARTIES AGREE THAT IF THE LENDER OR THE LENDER'S SUCCESSORS OR ASSIGNS BECOMES THE FEE SIMPLE OWNER OF THE PROPERTY, LENDER WILL NOT BE: (I) SUBJECT TO ANY CLAIMS, OFFSETS, OR DEFENSES WHICH TENANT MIGHT HAVE AGAINST LANDLORD; OR (II) LIABLE FOR ANY ACT OR OMISSION OF LANDLORD; OR (III) BOUND BY ANY RENT OR ADDITIONAL RENT PAID MORE THAN ONE MONTH IN ADVANCE OR ANY SECURITY DEPOSIT OR OTHER PREPAID CHARGE PAID TO LANDLORD; OR (IV) BOUND BY ANY AMENDMENT OR MODIFICATION OF THE LEASE UNLESS WRITTEN NOTICE OF THE AMENDMENT OR MODIFICATION WAS PROVIDED TO THE LENDER IN ADVANCE.

3. Attornment. The Tenant agrees that if Lender becomes the fee simple owner of the Property and provides the Tenant with written notice of the change in ownership, the Tenant will attorn to and recognize Lender or Lender's successors or assigns as the landlord under the Lease for the remainder of the Lease Term, and the Tenant will perform all of its obligations under the Lease.

4. Lender's Option to Cure Lease Defaults. If Landlord fails to perform or observe any of the terms, conditions, or agreements in the Lease, Tenant will give written notice to the Lender and the Lender will have the right, but not the obligation, to cure the default or defaults on behalf of the Landlord. Tenant will not terminate or rescind the Lease or withhold payments of rent or additional rent under the Lease for a period of 30 days following receipt of written notice from the Lender of Lender's intention to cure the default so long as the Lender proceeds to promptly cure the default. If Lender acts promptly upon notice from the Tenant to cure the default and, despite the Lender's prompt, diligent, and continuous efforts to cure the default Lender is unable to complete the cure within 30 days, then the Lender and the Tenant may agree that the time within which the cure must be completed may be extended for a reasonable period of time not to exceed 60 days as may be necessary for the Lender to complete the cure.

5. Obligations and Liability of Lender. Unless otherwise agreed in writing, the Lender shall have no obligations under the Lease unless Lender becomes the fee simple owner of the Property. So long as the Lender remains a mortgagee with bare legal title to the Property securing repayment of the Loan to the Landlord, then the Lender is not responsible for any of Landlord's obligations under the Lease other than the Lender's voluntary efforts to cure defaults as provided above in this Agreement. If Lender becomes the fee simple owner of the Property, then Lender will step into the shoes of the Landlord with respect to the Landlord's obligations under the Lease until such time as the Lender transfers fee simple ownership of the Property to a new owner, who will assume all of Landlord's obligations under the Lease.

6. Severability. If any provision of this Agreement is found by a court to be unenforceable, then all provisions not invalidated or found by the court to be unenforceable will remain in full force and effect.

7. Governing Law and Choice of Forum. This Agreement is governed by and must be construed under the laws of the State of Maryland without regard to conflicts of laws principles. Any claim or action to enforce, interpret, or invalidate this Agreement must be filed and maintained in a court of competent jurisdiction located in Montgomery County, Maryland.

8. Notices. All notices required to be given under this Agreement will be deemed to be satisfactorily given if mailed, first class, postage prepaid and certified with return receipt or hand delivered by a nationally recognized receipted delivery service to:



If to the Lender, to:

If to the Landlord, to:

If to the County, to: Montgomery County Government
Department of Public Works & Transportation
101 Monroe Street, 10th Floor
Rockville, MD 20850
Attn: Director, Office of Real Estate

with a copy that does
not constitute notice to: Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: County Attorney

Notices will be deemed effective three (3) business days following deposit of first class and certified mail copies with the U.S. Postal Service or on the business day of hand delivery to the addressee. Parties must provide written notice of address changes to all other Parties as provided in this Paragraph. Any notice of address change provided as required in this Paragraph will be effective 30 days after it is deemed to be effective.

9. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties, their successors, and assigns.

10. Tenant's Personal Property. The Mortgage may not, under any circumstances, be construed to encumber any of Tenant's moveable trade fixtures, business equipment, furniture, signs, or other personal property placed or kept at any time on the Leased Premises.

11. Headings. The headings and captions used in this Agreement are for convenience only, and shall not affect interpretation of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this document effective the date first written above.

LENDER

By: _____

Printed Name: _____

Date: _____

Notary jurat for Lender



LANDLORD

By: _____
General Partner

Printed Name: _____

Date: _____

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this ____ day of _____, 20__, before me, a notary public in and for the State of Maryland, personally appeared _____, who acknowledged himself to be the _____ of the _____, and that he, as such general partner, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited partnership by himself as general partner.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public

My Commission Expires On:

TENANT

Montgomery County, Maryland
a body corporate and politic and a
political subdivision of the State of
Maryland

By: _____
Assistant Chief Administrative Officer

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this ____ day of _____, 20__, before me the undersigned officer, personally appeared _____, known to me to be an Assistant Chief Administrative Officer for Montgomery County, Maryland, and that he, as such Assistant Chief Administrative Officer, being authorized to do so, executed the foregoing Agreement by signing the name of Montgomery County, Maryland by himself as Assistant Chief Administrative Officer.

In witness whereof I hereunto set my hand and official seal.

Notary Public

My Commission Expires On:



CHEVY CHASE CENTER RETAIL LEASE

EXHIBIT H

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Montgomery County, Maryland
Department of Public Works and Transportation
Executive Office Building
101 Monroe Street, 10th Floor
Rockville, Maryland 20850
Attn: Director

(space above this line for Recorder's use only)

MEMORANDUM OF LEASE

This Memorandum of Lease (this "Memorandum") is dated as of the ____ day of _____, 20____, by and between The Chevy Chase Land Company of Montgomery County, Maryland, a Maryland corporation, with an address of 8401 Connecticut Avenue, Penthouse, Chevy Chase, Maryland 20815 ("Landlord"), and Montgomery County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland, through the Department of Public Works and Transportation of Montgomery County, Maryland ("the County"), with reference to the following facts:

Landlord is the owner of that certain shopping center known as Chevy Chase Center, located east of Wisconsin Avenue, west of Western Avenue and north of Wisconsin Circle in Chevy Chase, Montgomery County, Maryland, which Center shall consist of approximately Four Hundred Thousand (400,000) rentable square feet of office and retail space (the "Center").

Concurrently with the date hereof, Landlord and the County entered into that certain Lease (the "Lease") for that certain premises (the "Premises") consisting of approximately 1,504 rentable square feet, located on the South side in the mixed office and retail component of the Center containing approximately Two Hundred Ninety Thousand (290,000) rentable square feet in the aggregate (the "Building"). The approximate location of the Premises in the Building is shown crosshatched on Exhibit A hereto.

NOW, THEREFORE, for and in consideration of the foregoing, Landlord and the County hereby agree as follows:

1. Agreement to Lease. Landlord hereby leases to the County, and the County hereby leases from Landlord, the Premises (as defined in the Lease) and as depicted on the rendering attached hereto as Exhibit A, pursuant to the Lease, at the rental and upon all of the terms and conditions set forth in the Lease, which Lease is incorporated herein by this reference. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall govern and control.
2. Term. Subject to the terms and conditions contained in the Lease, the Premises is leased for an initial term commencing on _____, 2008 and expiring on the date which is ten (10) years following the Commencement Date (the "Termination Date"), together with successive renewal options of five (5) years each, so long as the current site plan for the Center is in effect.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, each of the parties hereto has executed this instrument as of the date first above written.

LANDLORD:

THE CHEVY CHASE LAND COMPANY
OF MONTGOMERY COUNTY, MARYLAND

Attest:

Secretary
(SEAL)

By: _____[SEAL]
Name: _____
Title: _____

TENANT:

MONTGOMERY COUNTY, MARYLAND
a body corporate and politic and a political subdivision of
the State of Maryland, through the Department of Public
Works and Transportation

Attest:

(SEAL)

By: _____[SEAL]
Name: _____
Title: _____



STATE OF MARYLAND
COUNTY OF MONTGOMERY, ss:

I, _____, a Notary Public in and for the State of Maryland, do hereby certify that _____, who is personally well known to me as the person who executed the foregoing and annexed Memorandum, dated the _____ day of _____, 20__, on behalf of the Landlord, to acknowledge the same, personally appeared before me in said jurisdiction and acknowledged said Lease to be the act and deed of The Chevy Chase Land Company of Montgomery County, Maryland, as Landlord, and delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 20__.

Notary Public

My commission expires:

STATE OF MARYLAND)
COUNTY OF MONTGOMERY) ss:

I, _____, a Notary Public in and for the State of Maryland, do hereby certify that _____, _____, who is personally well known to me to be the person who executed the foregoing and annexed Memorandum, dated the _____ day of _____, 20__, on behalf of the County, to acknowledge the same, personally appeared before me in said jurisdiction and executed said Lease in his capacity as _____ for Montgomery County, Maryland and delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 20__.

Notary Public

My commission expires:



CHEVY CHASE CENTER RETAIL LEASE

EXHIBIT I

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Linowes and Blocher LLP
7200 Wisconsin Avenue
Suite 800
Bethesda, Maryland 20814
Attn: J. Grier Hoyt

(space above this line for Recorder's use only)

RELEASE OF MEMORANDUM OF LEASE

This Release of Memorandum of Lease (this "Release") is dated as of the ____ day of ____, 20__, by and between The Chevy Chase Land Company of Montgomery County, Maryland, a Maryland corporation, with an address of 8401 Connecticut Avenue, Penthouse, Chevy Chase, Maryland 20815 ("Landlord"), and Montgomery County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland, through the Department of Public Works and Transportation of Montgomery County, Maryland ("the County"), with reference to the following facts:

Landlord is the owner of that certain shopping center known as Chevy Chase Center, located east of Wisconsin Avenue, west of Western Avenue and north of Wisconsin Circle in Chevy Chase, Montgomery County, Maryland, which Center shall consist of approximately Four Hundred Thousand (400,000) rentable square feet of office and retail space (the "Center").

Landlord and the County entered into that certain Lease (the "Lease") dated _____, 2008 for that certain premises (the "Premises") consisting of approximately 1,504 rentable square feet, located on the South side in the mixed office and retail component of the Center containing approximately Two Hundred Ninety Thousand (290,000) rentable square feet in the aggregate (the "Building"). The approximate location of the Premises in the Building is shown crosshatched on Exhibit A hereto.

A Memorandum of Lease (the "Memorandum of Lease") was recorded in the Montgomery County Land Records on _____, 2008 at Liber _____, folio _____.

The Lease has been terminated.

NOW, THEREFORE, for and in consideration of the foregoing, Landlord and the County hereby agree that the Memorandum of Lease is hereby released, terminated and of no further force and effect.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, each of the parties hereto has executed this Release as of the date first above written.

LANDLORD:

Attest:

THE CHEVY CHASE LAND COMPANY
OF MONTGOMERY COUNTY, MARYLAND

Secretary
(SEAL)

By: _____[SEAL]
Name: _____
Title: _____

TENANT:

Attest:

MONTGOMERY COUNTY, MARYLAND
a body corporate and politic and a political subdivision of
the State of Maryland, through the Department of Public
Works and Transportation

(SEAL)

By: _____[SEAL]
Name: _____
Title: _____



STATE OF MARYLAND
COUNTY OF MONTGOMERY, ss:

I, _____, a Notary Public in and for the State of Maryland, do hereby certify that _____, who is personally well known to me as the person who executed the foregoing and annexed Memorandum, dated the _____ day of _____, 20__, on behalf of the Landlord, to acknowledge the same, personally appeared before me in said jurisdiction and acknowledged said Lease to be the act and deed of The Chevy Chase Land Company of Montgomery County, Maryland, as Landlord, and delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 20__.

Notary Public

My commission expires:

STATE OF MARYLAND)
COUNTY OF MONTGOMERY) ss:

I, _____, a Notary Public in and for the State of Maryland, do hereby certify that _____, _____, who is personally well known to me to be the person who executed the foregoing and annexed Memorandum, dated the _____ day of _____, 20__, on behalf of the County, to acknowledge the same, personally appeared before me in said jurisdiction and executed said Lease in his capacity as _____ for Montgomery County, Maryland and delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 20__.

Notary Public

My commission expires:

